

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
LUFKIN DIVISION

PERSONAL AUDIO, LLC		DOCKET 9:09CV111
		AUGUST 31, 2010
VS.		10:04 A.M.
APPLE, INC., ET AL		BEAUMONT, TEXAS

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VOLUME 1 OF 1, PAGES 1 THROUGH 150

REPORTER'S TRANSCRIPT OF CLAIM CONSTRUCTION HEARING

BEFORE THE HONORABLE RON CLARK  
UNITED STATES DISTRICT JUDGE

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23 PROCEEDINGS REPORTED USING COMPUTERIZED STENOGRAPHY;  
24 TRANSCRIPT PRODUCED VIA COMPUTER-AIDED TRANSCRIPTION.  
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1 (REPORTER'S NOTES 8-31-2010\PA V APPLE  
2 MARKMAN, 10:04 A.M., TUESDAY, 08/31/2010, BEAUMONT,  
3 TEXAS, HON. RON CLARK PRESIDING)

4 (OPEN COURT, ALL PARTIES PRESENT)

5 THE COURT: All right. I call *Personal Audio*  
6 *versus Apple*, Number 9:09cv111. Who is here for *Personal*  
7 *Audio*?

8 MR. HOLDREITH: Your Honor, Jake Holdreith  
9 from Robins Kaplan. With me is my colleague, Cy Morton,  
10 who will also be addressing the court today if the court  
11 has questions about some of the terms. Also at counsel  
12 table is our colleague, Patrick Arenz; and Larry Germer  
13 and Charlie Goehringer are here with us as well.

14 THE COURT: Good morning.

15 All right. And for Apple --

16 Well, wait a minute. You also have some of  
17 your experts here?

18 MR. HOLDREITH: Yes, sir. Dr. Kevin Almeroth  
19 is in the gallery here and also our client, Mr. Jim  
20 Logan, who is one of the inventors named on the patent.

21 THE COURT: Okay. And who do we have here for  
22 appeal?

23 MR. STEPHENS: Your Honor, Garland Stephens of  
24 Fish & Richardson representing Apple. With me today is  
25 my colleague, Ben Elacqua; our parallel, Khoa Nguyen; our

1 technical expert, Dr. Steven Wicker. From the client we  
2 have Jayna Whitt, who is in-house counsel for Apple, and  
3 Katie Prescott, also in-house counsel for Apple. A law  
4 student is with us today, Claire Devine --

5 THE COURT: Welcome.

6 MR. STEPHENS: -- and my colleague, Wasif  
7 Qureshi.

8 MR. QURESHI: Good morning, your Honor.

9 THE COURT: All right. Very good.

10 Why don't we go ahead and start with the  
11 "person of ordinary skill in the art"? There seems to be  
12 some agreement on the definition.

13 So, Ms. Mullendore, let's go ahead and put  
14 that up; and we'll label this as Court's Exhibit 1.

15 And just for the record, from time to time,  
16 I'm going to have proposed definitions and other items  
17 which I'll label or designate as court's exhibits; and  
18 they'll be part of the record to make it easier for one  
19 reading the transcript to follow.

20 But this, I think, is basically the proposal  
21 of Personal Audio that Apple agreed to with some caveats.  
22 Let me first -- there shouldn't be any objection to it.  
23 But any objection to this definition of "one of ordinary  
24 skill in the art" as shown on Court's Exhibit 1 from  
25 Personal Audio?

1 MR. HOLDREITH: No, your Honor. You're right.  
2 We have no objection.

3 THE COURT: Okay. In Federal court, you will  
4 want to stand.

5 MR. HOLDREITH: Yes, sir.

6 THE COURT: Okay. Let me ask Apple. You had  
7 a couple of things that you called "caveats."

8 Let's put the first one up on the screen if we  
9 could.

10 And your first caveat -- and this would be at  
11 Document 175 -- was that (reading) Apple denies that such  
12 a person would have the expertise to design and develop  
13 audio compression algorithms or speech recognition  
14 algorithms that would be required to build the preferred  
15 embodiment if it were to be adapted to play music other  
16 than player piano-type music using the musical instrument  
17 digital interface described in the patent.

18 Well, counsel, let me ask first: Are you  
19 saying that audio compression such as MP3 files weren't  
20 known back in 1996?

21 MR. STEPHENS: Your Honor, that is almost  
22 correct. So, MP3 was brand-new in 1996. It was  
23 developed by a research institute in Germany called the  
24 "Fraunhofer Institute." It was not widely deployed at  
25 the time.

1 THE COURT: But it was a known technology.

2 MR. STEPHENS: It existed --

3 THE COURT: And there were other compression  
4 files at the time, weren't there?

5 MR. STEPHENS: So, there are a variety of  
6 different types of compression. There were certainly  
7 general purpose compression algorithms that were known  
8 that were, for example, not specifically adapted to  
9 audio. MP3, your Honor, was the first really popular  
10 compression mechanism for audio specifically that relied  
11 on a model of hearing to throw away some of the  
12 information to greatly increase the amount of compression  
13 that was achievable while still having a good quality of  
14 audio. That technology was very new in 1996. It was  
15 also heavily protected by patents.

16 THE COURT: Well, isn't what somebody -- I  
17 mean, when one of skill in the art supposedly reads the  
18 journals and reads what's going on, we're -- I have not  
19 seen a case talking about the dumb person of skill in the  
20 art or the illiterate person of skill in the art. It's a  
21 hypothetical construct. But at some point don't I, as a  
22 court, have to assume that -- just like we assume that I  
23 have read all of the recent Federal cases, it may not be  
24 actually true that every single judge and lawyer has read  
25 every single thing the Supreme Court wrote in the last



1 two weeks. But at some point -- I mean, we're certainly  
2 responsible for knowing it.

3 MR. STEPHENS: Your Honor, I certainly think  
4 it's true that a person of ordinary skill in the art in  
5 1996, if they were investigating compression algorithms,  
6 could have learned about MP3.

7 THE COURT: Well, and then -- are you saying  
8 that after a patent application is made or after a patent  
9 is issued, the fact that a new accused device may  
10 incorporate some other new technology together with the  
11 patent art, somehow that doesn't make it infringing?

12 MR. STEPHENS: No, your Honor. Actually the  
13 point that we're making is a bit different; and that is  
14 that if you look at what's disclosed in the  
15 patents-in-suit, the compression algorithms that are  
16 present there are not suited to achieving high levels of  
17 audio compression while still having a reasonable quality  
18 for anything other than speech.

19 THE COURT: All right. Let me be very clear,  
20 then. And this is what concerns me. I understand that  
21 later on you may have an enablement argument or in terms  
22 of means-plus-function you may have, you know, a limited  
23 structure as disclosed. But what concerns me is you're  
24 bringing it up at this point of "person of ordinary skill  
25 in the art" and I'm not hearing a good reason for taking

1 up time in your brief and taking up my time to -- with  
2 this caveat.

3 MR. STEPHENS: Fair enough, your Honor. I  
4 think that it doesn't directly affect the "person of  
5 ordinary skill in the art" itself; so, we do agree to the  
6 definition that you proposed. We raised that caveat  
7 because I think it does relate somewhat to the written  
8 description and some of the arguments that Personal Audio  
9 have made about what a person of ordinary skill in the  
10 art would read into the specification.

11 But I also understand what you're saying about  
12 enablement, and we're not making enablement arguments  
13 here today.

14 THE COURT: Or, for that matter -- well, okay.

15 And then your second caveat --

16 And go ahead and put that up, please,  
17 Ms. Mullendore.

18 -- was that (reading) Apple denies that a  
19 person described above would have been able to design and  
20 develop the iPod -- and this one, I guess, concerns me  
21 even more. Actually your brief says (reading) would be  
22 able to design and develop the iPod, which required  
23 numerous innovations and a wide range of technologies to  
24 become a reality in 2001.

25 What does that little remark have to do with

1 anything? I mean, surely -- well, let me ask. I mean,  
2 are you going to argue that a complicated technological  
3 device can't possibly be infringing if it has more than  
4 one technology in it?

5 MR. STEPHENS: Not at all, your Honor. The  
6 real issue, I think, is whether or not some of the  
7 constructions that are being urged by Personal Audio,  
8 which appear to us to be directed at a device that they  
9 were not capable of building, are appropriate given the  
10 level of ordinary skill in the art and the disclosure of  
11 the patent.

12 THE COURT: Okay. I guess partly for your  
13 benefit and partly for the benefit of general counsel of  
14 Apple since I don't believe they've been in my court  
15 before, you run the risk of burying some good arguments  
16 under a load of "difficult to wade through" things.

17 I don't see that this -- I mean, I do  
18 understand -- believe it or not, I really do understand  
19 that at some point you're going to be raising enablement,  
20 inadequate description, and so forth. But this  
21 particular argument, especially this second caveat,  
22 starts to me to run very close to a violation of Rule 11.

23 I mean, I don't know of any authority for the  
24 proposition that just because someone couldn't build the  
25 iPod, that affects the person of ordinary skill back in

1 1986 of this particular patent or the fact that iPod has  
2 other technologies doesn't make it noninfringing. If  
3 you've got some authority for that proposition, fine, let  
4 me see it; but I've not seen that case.

5 And, so, I'm going to caution you. Let me see  
6 your -- and I think you've got some good arguments  
7 somewhere there, but it takes a long time to get to them.  
8 I want to see those up-front, and you're well advised to  
9 focus in on those and not try to raise them over and over  
10 and over again. This is just a suggestion.

11 I understand a Court of Appeals will sometimes  
12 look at that last point of error, but sometimes they  
13 don't. And this -- I mean, to toss out something like  
14 someone in 1996 couldn't build the iPod, well, yeah,  
15 right. If they could have, they would have built it.

16 MR. STEPHENS: Your Honor, if I may, I don't  
17 want to belabor this; but I do feel the need to justify  
18 this at least a little bit. There is a construction of  
19 "player" being urged by the plaintiff in this case that I  
20 think reflects a device that they were not capable of  
21 building.

22 THE COURT: Okay. Well, then make that  
23 argument to me when we get to "player" but not -- I mean,  
24 we're talking about who as one of ordinary skill in the  
25 art in 1996 would understand this particular patent, not

1 who could build the iPod, unless there's been some change  
2 in the law of what one of ordinary skill in the art is.  
3 I mean, maybe a recent case came out and I missed it; but  
4 I don't see how whether you could build that or not has  
5 anything to do with who was of ordinary skill in 1996.

6 MR. STEPHENS: Well, your Honor, the point is  
7 only that you can't tailor your claim to a device you  
8 were --

9 THE COURT: Sure.

10 MR. STEPHENS: -- not capable of building.  
11 That really is the premise for this statement, and that's  
12 all.

13 THE COURT: Okay. Again, raising that  
14 argument at this point seems to me to be coming very  
15 close to almost frivolous when -- and more importantly  
16 from your point of view, it's burying perhaps a good  
17 argument in something that just, in my view, kind of  
18 wastes my time.

19 I'm reading through it and thinking, "Okay.  
20 They've got a good argument here because it's right  
21 up-front"; and I go, "Wait a minute. What is this?"

22 All right. So, both sides agree to what was  
23 on Court's Exhibit 1 as "one of ordinary skill in the  
24 art." Apple, for what it's worth, has pointed out some  
25 facts that don't seem to have much to do with anything

1 with what one of ordinary skill in the art is. Maybe  
2 those theories will come up later in other arguments.

3 Why don't we now take a look at the  
4 definitions of "player" and "audio program player." Now,  
5 I understand that Apple has included in that the  
6 "programmed digital computer." I'm going to first  
7 separate those out, and let's look at "player" and "audio  
8 program player."

9 Just to be sure -- and I think this might not  
10 even need a question, but it's easier to nail it down.  
11 Do both sides agree that what we're talking about here  
12 are devices or apparatus claims? Personal Audio?

13 MR. HOLDREITH: Yes, sir.

14 THE COURT: And Apple?

15 MR. STEPHENS: Yes, your Honor.

16 THE COURT: Okay. Now, the specification  
17 describes an audio player device shown at Figure 1 of --  
18 in Figure 1; and it's at 103. I think it's Item 103 in  
19 Figure 1 -- has a number of components that are described  
20 at Column 4, includes a player software.

21 Let me ask Personal Audio. I understand that  
22 you've dropped the idea of being self-contained because  
23 it's got all those things in it, right?

24 MR. HOLDREITH: Yeah. Apple pointed out to us  
25 that there is an embodiment that has a separate keyboard,

1 a separate monitor. And that's not what we intended by  
2 "self-contained," but we understood the ambiguity they  
3 were raising so --

4 THE COURT: Okay. So, I don't have to worry  
5 about that part anymore?

6 MR. HOLDREITH: Correct.

7 THE COURT: All right. Tell me what  
8 "personal" adds to the definition. You want "personal"  
9 in there. And this may also tie into "individual  
10 listener." But why does it have to be "personal"?

11 MR. HOLDREITH: It does tie into "individual  
12 listener" as well. And the dispute that we're asking the  
13 court to resolve over claim scope is that Apple contends  
14 that the "player" claims read on a prior art device that  
15 was for broadcasting. It was used in a radio station by  
16 a DJ to send music out over the airwaves to a general  
17 audience.

18 In the specification of the patent, the  
19 inventors were very clear that they were criticizing  
20 broadcasting and they viewed broadcasting as a problem  
21 they wanted to overcome. And, so, we've pointed out a  
22 case, the *Kinik* case, that holds when you demean prior  
23 art, criticize prior art, characterize it as a problem,  
24 the court can take into account the goals of the  
25 invention.

1 THE COURT: Okay. Let me hear from Apple.  
2 Exactly what is this prior art device that you think --  
3 in other words, they're trying to distinguish; and I was  
4 trying to figure out what are the various things that are  
5 used in radio broadcasting that you think are involved  
6 here.

7 MR. STEPHENS: Okay, your Honor. There is a  
8 device called the "digital audio delivery work station."  
9 It ran on a PC very, very much like the preferred  
10 embodiment. It was used to play back playlists. You  
11 could download playlists. The Patent Office has rejected  
12 all of the claims of the '178 patent over that piece of  
13 prior art. I don't think there is much dispute that all  
14 of the elements of the claims are present in that  
15 particular piece of prior art.

16 THE COURT: Okay. Describe -- and I think I  
17 know what you're talking about because in '96 I was  
18 actually placing radio ads. So, tell me, just for record  
19 purposes and to be sure I'm not -- I'm not supposed to be  
20 reading in my own information into these things; so, give  
21 me a little bit more information on how this radio system  
22 worked.

23 MR. STEPHENS: Okay. Before I do that, your  
24 Honor, I would just like to say I think it is  
25 inappropriate to construe the claims to avoid prior art.



1 THE COURT: Oh, I understand that. But the  
2 arguments have been made focusing in on this; so, I want  
3 to find out what it is you're talking about.

4 MR. STEPHENS: Fair enough, your Honor. Like  
5 I said, it's a player that looks very much like the  
6 system that's described in the patent. It ran on a PC.  
7 It had a sound card. It was not used only in  
8 broadcasting, although certainly that was a common use  
9 for it.

10 THE COURT: Okay. Let me -- is this the --  
11 about that time there were a number of small radio  
12 stations. Basically they became one-person operations  
13 and the mother station basically downloaded information  
14 and then that one DJ actually sounded or acted like it  
15 was a huge, normal station and they were able to run  
16 those playlists and so forth.

17 MR. STEPHENS: That's correct, your Honor.  
18 So, this system was, I think, probably around this time,  
19 in the mid Nineties and early Nineties, the most popular  
20 radio automation system in existence; and it did exactly  
21 that. You could control a number of radio stations from  
22 a central location, download playlists to them, transfer  
23 audio over very expensive but existing high-speed data  
24 links to the machines around the country.

25 They stored the audio on hard drives which

1 were pretty expensive in those days to store that much  
2 information but available and then were used to play back  
3 playlists, essentially to automate all of the both  
4 programming content and advertisements and the like that  
5 a radio station would normally play.

6 THE COURT: Okay. And, so, this is what  
7 you're trying to make sure that your -- or you're saying  
8 that the patent doesn't cover that because it was  
9 criticized in the opening part of the patent itself.

10 MR. HOLDREITH: Your Honor, that's correct;  
11 and we're relying on the same law that Apple cites in its  
12 brief at page 14 where they say (reading) the purpose of  
13 the invention should not be disregarded when construing  
14 claim terms. They cite a case where they made this law.  
15 It's called "*Apple Computer versus Articulate Systems*."

16 So, I want to be clear. We're not just asking  
17 the court, "Gee, we'd like to be given a defense against  
18 prior art here for the sake of having a defense." But,  
19 rather, we're relying on a claim construction canon that  
20 both sides agree on; and that is that when the inventors  
21 criticize prior art and state a purpose of the  
22 invention -- here, individual personalized customized  
23 listening -- and when they criticized the broadcasting  
24 prior art, it is, in fact, appropriate to take that into  
25 account in construing claims.

1 THE COURT: Well, take a look, if you would,  
2 at the preferred embodiment, Figure 1.

3 Can we put Figure 1 up on the screen?

4 I mean, Figure 1 has at -- and I believe it's  
5 Item 113 -- a speaker, or speakers. And at --

6 Yeah. It's right up there at the top, and I  
7 don't think you even have to flip it.

8 And then if you take a look at Column 7,  
9 lines 49 to 51 and then 61 to 63, it talks about the  
10 invention being used in the car. And I would assume that  
11 everybody in the vehicle can hear what's being said; so,  
12 why should I put in the definition "personal" or  
13 "individual" when even in a little sports car there is  
14 likely to be two people there and in a lot of cars  
15 there's going to be four people.

16 And this is not embedded in the ear or just  
17 coming through earphones; these are speakers. Anybody  
18 who happens to be -- I mean, the speaker may be little;  
19 but the automobile embodiment that you talk about,  
20 clearly it's going to be heard by the people in the  
21 vehicle. So, what does "personal" mean or what does  
22 "individual listener" mean?

23 MR. HOLDREITH: "Personal" and "individual  
24 listener" means that the person who has control over the  
25 playback, who can decide to skip back, skip forward,

1 choose this song and not that song, choose this  
2 collection and not that collection -- that's the person  
3 listening to the music coming out of the player.

4 In a broadcasting situation you have a DJ who  
5 is choosing music for a general audience. That general  
6 audience has no control over what they're hearing. They  
7 can't skip back. They can't skip forward. They can't  
8 tell that DJ, "We'd like to listen to a different kind of  
9 programming or listen to this content in a different  
10 order."

11 So, "personal" and "individual" means it's a  
12 player that I control and I'm the consumer of the music.  
13 And I think that's a meaningful distinction that a jury  
14 can sort out pretty easily. You're --

15 THE COURT: Maybe the user listening?

16 MR. HOLDREITH: Yes, sir.

17 THE COURT: Or the user who is listening?

18 MR. HOLDREITH: That's right.

19 THE COURT: Okay. Now, Apple wants this  
20 limited, it seems, to desktop and laptop computers. But  
21 if we take a look at Column 4, lines 25 through 35, I  
22 mean, we have -- right there in -- I mean, we have this  
23 language of, you know, "illustrative embodiment," "host  
24 computer," "audio player device," "advantageously  
25 implemented." I mean, when you have things like

1 "illustrative embodiment" and "advantageously  
2 implemented," those aren't exactly language of  
3 requirement as we see in some of the cases. Those seem  
4 to be "here are some examples" language.

5           So, where do you come up with or how do I get  
6 away with -- let's say you want me to write the opinion  
7 in your favor that the Federal Circuit won't just start  
8 to laugh when it shows up on their doorstep. And you  
9 know on appeal they're going to be saying, "Well, your  
10 Honor's illustrative embodiment advantageously  
11 implemented" -- and then we can go on to Column 7.

12           That next slide, Laura.

13           At lines 41 to 44, lines 53 to 57, lines 63 to  
14 66, it talks about "alternatively" and "may be  
15 implemented." I mean, there is just endless language of  
16 giving choices. So, where do we get off saying, "Oh,  
17 just laptops, just desktops"?

18           MR. STEPHENS: Your Honor, if I may, I want to  
19 say one quick thing about broadcast; and then I'll  
20 address your point.

21           THE COURT: Sure.

22           MR. STEPHENS: I would like to point out that  
23 in the original application that led to both of the  
24 patents-in-suit -- because the later one is a divisional  
25 of the earlier -- there were claims specifically directed

1 to broadcasting. So, this notion that broadcasting was  
2 disclaimed directly conflicts with the file history of  
3 both patents.

4 Those claims were divided out in response to a  
5 restriction requirement and prosecuted separately for a  
6 number of years and then ultimately canceled in their  
7 entirety; and a whole new set of claims was put into the  
8 applications, I think in roughly 2007, which are almost  
9 identical to the ones in the original '076 patent.

10 So, basically you had a division between the  
11 client side of the system and the server side. The  
12 server side was described as a broadcasting system. So,  
13 I think this notion that broadcasting has been disclaimed  
14 just makes no sense in view of the file history.

15 Now, with respect to the preferred and  
16 alternate embodiments, your Honor, it is true that there  
17 are a number of embodiments that are described; but all  
18 of the hardware embodiments, including the ones that  
19 your Honor has identified, those are all generic PC  
20 hardware. Most of the embodiments that are described in  
21 the patents are a variation in software and, in fact,  
22 there really is no technology in the patent other than  
23 generic PC hardware plus software. So, things like IrDA  
24 were standard laptop and desktop hardware in 1996.

25 I don't think there's any statement in the

1 patent anywhere that a PDA could be used to implement the  
2 invention. Given that Dr. Almeroth has opined that even  
3 a regular desktop computer didn't really have enough  
4 space to store songs, it's a little hard to see how  
5 something you could stick in your pocket at the time  
6 could do that. So, I don't think that really was an  
7 alternative embodiment for the player.

8 THE COURT: Well, except that they talk  
9 about -- I'm looking at Column 7, line 57, where it  
10 actually talks about -- it starts at 56 -- (reading)  
11 standard feature in all notebook computers and PDAs. So,  
12 we're already talking about PDAs specifically being  
13 mentioned, which is a little bit different than notebooks  
14 and desktops.

15 But I guess more importantly is -- I mean,  
16 there are cases that say if the only thing described is a  
17 specific embodiment and that's all it is and the language  
18 makes it clear like "the invention is" when you start off  
19 in the summary or -- as opposed to "illustrative  
20 embodiment," "advantageously implemented" -- I mean,  
21 you've got to agree, I think, they are using some pretty  
22 broad opening language here in terms of what -- you know,  
23 the concept they're talking about.

24 MR. STEPHENS: I will agree with that, your  
25 Honor. I would point out, though, that the PDA -- again,

1 I don't think the patent is ever talking about that being  
2 the player. It's a remote control or an example of the  
3 device that has the IrDA in it, not something that could  
4 actually play back audio.

5 But regardless of that, I understand your  
6 point. There are a number of embodiments described in  
7 the patent, and we're not saying they're limited to a  
8 single one of those embodiments. What we're saying is  
9 the range of embodiments that they're entitled to is  
10 really defined by software plus generic laptop or desktop  
11 hardware because that -- all of the embodiments are  
12 implemented on a laptop or desktop.

13 Now, I do understand your Honor's concern  
14 about limiting even to that. Our concern, I think, is  
15 more that a jury is going to find a word like "player"  
16 confusing; and it suggests an interpretation of the  
17 claims that actually excludes that preferred embodiment  
18 that's based on a laptop or desktop.

19 THE COURT: Well, I mean, I'll ask the  
20 question maybe a different way. You've got embodiments  
21 and they're shown as not the only embodiment but typical  
22 embodiments and you've got a device -- I mean, clearly,  
23 you know, chips have become -- you know, the size has  
24 become smaller. I mean, what used to be in a room got  
25 down to a small desktop thing or the size of a desk and



1 is now -- we can hold it in our hand. Better chips,  
2 better technology, and so forth.

3 But if all we have is a device of just modern  
4 equivalents to the components disclosed, why should that  
5 be limited out in my definition of "player" by saying,  
6 "Oh, it has to be a laptop or a desktop"?

7 I mean, I understand that you can come up with  
8 a better way of implementing a patented idea. You can  
9 make the chip smaller. You can make the -- well, I'll  
10 give you an example. Someone invents the airplane wing  
11 in the days of wood covered with fabric and it gives lift  
12 because it's got a curved top surface and the air  
13 brushing over it provides lift. Two years later somebody  
14 invents aluminum. Suddenly you've got stronger wings.  
15 You can put on a stronger -- because the air frame is  
16 aluminum, you can put in a stronger engine and you can go  
17 faster. I mean, are you going to argue, "Oh, well,  
18 that's not a violation of the patent on the shape of the  
19 wing because it's now made of a different material"?  
20 It's still the shape of the wing.

21 MR. STEPHENS: Well, that depends, your Honor.  
22 If the claims say that they are -- say, for example, to a  
23 jet plane. You could not build the jet plane out of the  
24 wood that was available at the time the patent was --

25 THE COURT: Yeah, but I'm talking about a

1 claim to a wing, the wing design. And then they give a  
2 description of "and one way of doing it would be wooden  
3 struts covered with cloth" and what we're really talking  
4 about is the airfoil shape.

5 And later, you know, within two years --  
6 obviously this didn't happen. But within two years  
7 someone comes up and says, "Oh, aluminum is now invented;  
8 and we can make the struts stronger. The air frame can  
9 hold larger engines, can take more stress. The aluminum  
10 covering is stronger."

11 Sure, it's -- the shape isn't the be-all and  
12 end-all; it's just a part of the new device; but you're  
13 still going to wind up facing an infringement suit and a  
14 claim for some royalty over that shape, it would seem to  
15 me. You don't just get to say, "Oh, we've come up with a  
16 new material for the same old shape; we don't infringe."

17 MR. STEPHENS: We're not arguing that at all,  
18 your Honor.

19 I think our concern really about the  
20 construction of "player" is primarily one of jury  
21 confusion, and I think we would be prepared to concede  
22 that the claims can cover something beyond a desktop or a  
23 laptop.

24 But it is necessary, I think, for the jury to  
25 avoid confusion that the construction that your Honor

1 gives them make clear that the preferred embodiment --  
2 i.e., a laptop or desktop -- is part of what's claimed.  
3 A player, in other words, is not some personalized  
4 playback device for an individual listener that you can  
5 stick into your pocket that was not disclosed and not  
6 enabled by the patent; but, instead, it's player software  
7 that runs on a laptop or desktop.

8           And maybe there is some limited range of  
9 hardware embodiments that might also be included even  
10 though there is really no non-PC hardware disclosed in  
11 the patent that would be potentially an embodiment of a  
12 player.

13           Like I said, our primary concern is that if  
14 you adopt a construction like what Personal Audio has  
15 proposed, not only do you incorporate the plaintiff's  
16 name into the construction, which seems a little odd to  
17 say the least, you also strongly suggest something like a  
18 portable player which -- there is really no dispute -- is  
19 not described in the patent other than a notebook  
20 computer.

21           THE COURT: All right. Well, let me suggest  
22 this construction.

23           And, Laura, go ahead, if you would, and put up  
24 the...

25           And this is in Court's Exhibit 2. (Reading)

1 "Player" and "audio program player" mean a device that  
2 reproduces sound from digital audio content.

3 Now, it seems to me, taking a look at the  
4 claims -- and I'll just take claim 1, for example -- all  
5 the different things it has and does, the means for  
6 storing programs, the means for receiving and so forth,  
7 all of the other things that go on are set out in the  
8 various claims; and the preamble is just talking about  
9 what is a player.

10 I don't see why or how I should try in  
11 "player" to define the entire invention. It seems to me  
12 what a player actually does is going to be in all of  
13 these other elements of each individual claim. I'm not  
14 sure that just limiting it to one kind of laptop or  
15 whatever is going to make it, given the language used,  
16 the "advantageously," the "such as," and so forth  
17 language.

18 But let me hear first from Personal Audio.  
19 What objections do you have to this definition?

20 MR. HOLDREITH: Your Honor, this is not  
21 exactly our construction and -- the main dispute that it  
22 leaves potentially open is we may be arguing to the jury  
23 about whether the player has to be controlled by the  
24 listener, the personal -- the individual who is listening  
25 to the music. I can argue that to the jury. It's

1 probably a fine line whether that's claim construction or  
2 whether that is a necessary consequence of all the  
3 limitations in the claim. But I think that's the issue  
4 that's not finally resolved by this construction.

5 I do certainly agree with the court that a  
6 player can't be limited to a desktop or a laptop. And  
7 Mr. Stephens may have overlooked, for example, Column 7,  
8 line 66, specifically says (reading) a portable computer  
9 or simplified player; and, so, we certainly agree that it  
10 would be error to limit it to a desktop or a laptop.

11 THE COURT: All right. You think that this  
12 should somehow --

13 All right. Well, let me first hear from  
14 Apple. What objections do you have to this definition of  
15 "player"?

16 MR. STEPHENS: Your Honor, the problem we have  
17 with this is that it suggests that there is an actual  
18 hardware invention here. Remember, this is the first  
19 limitation that the jury is going to hear about. And "a  
20 device" sounds like a portable player, which isn't  
21 disclosed.

22 If your Honor were prepared to include, for  
23 example, exemplary language -- "a device, for example, a  
24 laptop or desktop" -- just so the jury would be clear  
25 that it includes the preferred embodiment and is not

1 limited to some sort of special purpose hardware device,  
2 then I think we might be prepared to live with it.

3 My concern is that "a device" sounds like  
4 something other than a laptop or desktop computer.  
5 That's the preferred embodiment, and the jury would be  
6 confused.

7 I also do have some grave reservations about  
8 Mr. Holdreith's comment that he's going to argue a claim  
9 construction that he's apparently prepared to surrender  
10 now to the jury at a later date. Your Honor --

11 THE COURT: So, I take it that, Personal  
12 Audio, you would prefer it to say something like "a  
13 device used by a listener that reproduces sound from  
14 digital audio content"?

15 MR. HOLDREITH: Yes, sir, something like that.

16 THE COURT: And let me hear from Apple. I  
17 mean, I already understand your objections to this. But  
18 if I put in the words "used by a listener," how much,  
19 from your point of view, more wrong would that be than is  
20 already up there?

21 MR. STEPHENS: Your Honor, I would say "one or  
22 more listeners" might be okay. I think this --

23 THE COURT: Well, "a" is one or more.

24 MR. STEPHENS: I don't think a jury  
25 necessarily will appreciate that. I understand the

1 point, and I agree with you as a matter of patent law.

2 THE COURT: Okay. I -- all right. I may have  
3 to make sure they understand that in patent language "a"  
4 can mean one; it could mean a whole carful.

5 MR. STEPHENS: Sure.

6 If I may, your Honor, just put up one quick  
7 slide --

8 THE COURT: All right.

9 MR. STEPHENS: -- to suggest what my concern  
10 is about the "device" language.

11 This is what I think a jury thinks a "player"  
12 is, not a laptop or a desktop computer. It's just not  
13 the first thing that comes into mind. If you pick a man  
14 off the street and say, you know, "Have you seen a  
15 player," they don't think of a laptop or desktop  
16 computer; but that's the preferred embodiment.

17 The same thing with "a device," right, a  
18 device for playing audio. You don't normally think of  
19 your laptop or desktop computer first even though, again,  
20 that's the preferred embodiment. So, I'm concerned that  
21 both the word "player" and the word "device" alone  
22 without some indication that it must cover the preferred  
23 PC embodiment is going to be confusing.

24 THE COURT: All right. Okay. Let's go ahead,  
25 then, into the next one, "audio playback unit." This is

1 at claim 178 -- I'm sorry -- patent '178, claim 14.

2 I guess the first thing I noted is that this  
3 seems to have been withdrawn because it's no longer in  
4 the joint claim construction chart; but on the other  
5 hand, it's still in the briefing. So, have we reached an  
6 agreement that I don't know about? Like I say, it's not  
7 on the chart anymore; but there still seems to be a  
8 little dispute in the briefing. Where are we on this  
9 one?

10 MR. HOLDREITH: Your Honor, my understanding  
11 is Apple withdrew that request for construction; but  
12 I'll --

13 MR. STEPHENS: That's correct, your Honor. We  
14 no longer request it to be construed, and we think the  
15 ordinary meaning is sufficient.

16 THE COURT: Well, what is the ordinary -- I  
17 mean, earlier you were arguing it's the same thing as the  
18 player and the audio program player. Of course it's part  
19 of comprising language; so, what --

20 MR. STEPHENS: I'll be honest, your Honor.  
21 That construction was driven by one of the defendants  
22 that's no longer in the case.

23 THE COURT: Okay. So, I'm not going to run  
24 into a problem later on with the respective experts in  
25 this case arguing over it. Is there any really



1 disagreement that in that claim 14, the audio playback  
2 unit has to be part of or some component of that player,  
3 however I define "player"?

4 MR. STEPHENS: We would not argue otherwise.

5 THE COURT: Okay. And, Personal Audio, you're  
6 the same, right?

7 MR. HOLDREITH: We agree, your Honor.

8 THE COURT: Okay. We'll be out of here before  
9 lunch if they're all that easy.

10 Next, we get to "programmed digital computer";  
11 and this is in the '076 patent, Claims 14 and 15.  
12 Personal Audio says don't need a construction. Apple  
13 wanted it to be the same as the "player" and the "audio  
14 program player."

15 The term only appears in the claims and not in  
16 the specification; so, why would "programmed digital  
17 computer," which is kind of a basic, almost elementary  
18 kind of a word or construct -- why should that be  
19 anything other than what we find in any standard  
20 dictionary from Apple's point of view?

21 MR. STEPHENS: Your Honor, I concede that our  
22 concerns here are substantially less. I do think that a  
23 programmed digital computer comes closer to invoking, in  
24 an ordinary juror's mind, the embodiment that is  
25 disclosed. I think our primary concern was to try to

1 sort of develop a uniform construction here; but again, I  
2 think exemplary language about a laptop or desktop would  
3 satisfy us.

4 THE COURT: Okay. Laura, go ahead and put up  
5 the proposal we're thinking of.

6 Okay. This will be under Court's Exhibit 4.  
7 I have (reading) "programmed digital computer" means a  
8 computer that consists of one or more associated  
9 processing units and that is controlled by internally  
10 stored programs.

11 And I think that is just almost a basic  
12 textbook definition of what a programmed digital computer  
13 is because that's a fairly simple, basic word or term.  
14 Any objection -- there doesn't seem to be a lot of  
15 dispute at this point; but just to avoid any later  
16 problems, any objection to that, from Personal Audio?

17 MR. HOLDREITH: No objection from Personal  
18 Audio, your Honor.

19 THE COURT: Okay. What about from Apple?

20 MR. STEPHENS: Your Honor, honestly I think  
21 that we would prefer the ordinary language to that. I  
22 just think it's a bit confusing. Our concern was really  
23 about just making clear that a laptop or desktop is  
24 within the scope of the preamble.

25 THE COURT: Well, I guess when you talk

1 about -- actually this is about as ordinary a definition  
2 as I could come up with since it's, I think, the IEEE  
3 standard definition for "programmed digital computer."  
4 And the first thought I had when I heard you were  
5 fighting about this is, "What? They think there is going  
6 to be an analog computer involved here somehow?"

7 I mean, obviously it's digital. And  
8 programming -- the only thing is since it's programmed,  
9 it has -- that has some meaning there. But what other  
10 objection do you have to -- I mean, if someone really  
11 wants to know what this one means --

12 MR. STEPHENS: Let me explain the concern I  
13 have, your Honor.

14 THE COURT: Okay.

15 MR. STEPHENS: I guess the reason why we still  
16 think that the exemplary language would be useful is that  
17 today "computer" means something different than it did in  
18 1996. People weren't carrying around smartphones that  
19 they could use to send and receive email and play video  
20 games and things like that in 1996. Granted, PDAs  
21 existed; but they were extremely limited.

22 So, I think a "programmed digital computer"  
23 does -- or did in 1996 -- evoke the thought of the  
24 preferred embodiment, a PC. I don't think in 1996 a  
25 "programmed digital computer" really invoked the motion

1 of a PDA which was physically incapable of doing what the  
2 preferred embodiment did and, I think, even physically  
3 incapable of performing what's claimed.

4 Today that's different. Today the technology  
5 has changed dramatically, and the iPhone is a far more  
6 powerful computer than the desktop that's described in  
7 the patent. So, that's why we have this concern that we  
8 just want to make sure that the jury understands that the  
9 preferred embodiment is within the scope of the preamble.

10 THE COURT: Okay. All right. Let's move on,  
11 then, to Number 7; and this would be -- or what I --  
12 those numbers are just numbers in the listing that I  
13 have. I don't think they really come from anywhere else.  
14 And it's this group, the "file of data establishing a  
15 sequence" which is in the '076 patent at claims 1 and 14,  
16 and the "sequencing file" which is in the '178 patent at  
17 claim 1, and "playback session sequencing file" in the  
18 '178 patent at claim 14.

19 Let me ask Personal Audio. Now, you seem to  
20 want to make it clear that a sequencing file is not just  
21 a playlist. But aside from the fact that maybe you're  
22 concerned that jurors don't understand that data  
23 underlying a list of names that identifies them allows  
24 them to be manipulated. In other words, there is not  
25 just a list of names in a playlist; there's actually

1 other data there. Isn't it really just a playlist?

2 MR. HOLDREITH: It can function a lot like a  
3 playlist, your Honor. That's right. Our concern is  
4 exactly what you just said, your Honor. But the  
5 sequencing file is -- we focused on that because it  
6 appears in so many limitations, and it was discussed  
7 significantly in the file history as something the  
8 examiner wanted to hear about and the patent attorney  
9 talked about. It's not familiar to, I don't think,  
10 laypeople. It certainly had to be explained to me.

11 And what we're trying to do is make it  
12 understandable to the jury that the reason the sequencing  
13 file comes up so often in the claims is that the computer  
14 goes back to the data in that file when it's making  
15 decisions about what to play next, either because it gets  
16 to the end of a song or because somebody pushes a  
17 command, like a skip or a skip back.

18 THE COURT: But in each of the individual  
19 claims -- and I'll take Number 1 as an -- claim 1 of the  
20 '076 patent as an example. What is done to this sequence  
21 file is set out in other claim elements. So, for  
22 example, in claim 1 you have, in the second element,  
23 (reading) a means for receiving and storing a file of  
24 data establishing a sequence. And then later on you have  
25 (reading) means for reproducing the programs established

1 by the sequence. And you have other things that can be  
2 done to the sequence, but that's set out in the  
3 individual claim. The other claims have slightly  
4 different things that are done to the sequence. Why  
5 should I define "sequence" as including the things that  
6 are actually done to it when the things that are done to  
7 it are set out in other claim elements in each individual  
8 claim?

9 MR. HOLDREITH: Yeah. I think that's an  
10 excellent question. That's exactly -- we agree with your  
11 understanding of the claim; and this is only intended as  
12 an aid to the jury, not to define the sequencing file so  
13 much but to just crystalize for them in an easy way what  
14 the sequencing file is and what it does, that it's  
15 something -- the computer uses that data to make  
16 decisions about what to play next.

17 Once you understand that, it's much easier to  
18 follow through the rest of the claim. I think it can be  
19 difficult -- I mean, I can certainly explain this to a  
20 jury; and Dr. Almeroth can explain it in terms of the  
21 other limitations. But it makes it so quick and easy to  
22 crystalize and understand what that sequencing file is  
23 and what it does if you just get the short explanation  
24 that it's a file of data that the computer uses to play  
25 back songs and to respond to commands. And if you have

1 that knowledge when you go through the claim, it is far  
2 easier to understand. So, it's intended to be an aid to  
3 the jury so they can understand this claim quickly and  
4 easily.

5 THE COURT: Okay. So, I take it, then, when I  
6 ask you almost the exact same question, you have in your  
7 proposed definition the -- this emphasis on the file that  
8 is received by the player. And actually that's right  
9 there in the claim language and in the descriptions of  
10 these things, that it is being downloaded from the host  
11 computer or the server or so forth. You're just trying  
12 to re-include that back into the definition to make it  
13 easier to explain?

14 MR. HOLDREITH: Yeah. It's solely intended to  
15 make it easy for the jury here, your Honor.

16 There is a dispute -- I'll anticipate a little  
17 bit -- about whether the player has to access the file or  
18 use the data as it goes. That's in the argument, not in  
19 the proposed construction. I just wanted to make it very  
20 clear we disagree with that proposal.

21 THE COURT: Okay. Let me ask Apple. You seem  
22 to argue that the phrase "a file that is received" that  
23 they use broadens the claim somehow. But isn't that  
24 language about being received right there in claim 1 of  
25 the '076 patent?

1           And take a look -- I guess we can put it up on  
2 the screen, Column 46. If you take about line 18 -- and  
3 this is just an example -- "means for receiving." So,  
4 while on one hand I've discussed with Personal Audio the  
5 fact that I'm not likely to put being received in the  
6 definition, it's one of the other claim elements. How --  
7 are you going to argue that in this particular claim  
8 that's not one of the things that's described as being in  
9 there?

10           MR. ELACQUA: Your Honor, Ben Elacqua for  
11 Apple.

12           No, we're not. And it says "means for  
13 receiving" and -- "means for receiving and storing," part  
14 of the means-plus-function limitations. Later on we'll  
15 get into the structure for what does the receiving; and  
16 there is no question, I think, that the structure for  
17 "receiving" dictates that the sequence file is going to  
18 be received.

19           Now -- if we could have the slides back for  
20 one second.

21           What Personal Audio is attempting to do here  
22 is now bring back in the word it struck out in the file  
23 history as part of their amendment to this particular  
24 claim, to the '178 claim 1, where they crossed out  
25 "receiving" and added this (reading) data communications



1 link for downloading a separate sequencing file.

2 Now with the construction that they are  
3 proposing, this sequencing file would simply be received,  
4 which I think is confusing because they struck  
5 "receiving" out and replaced that with this particular  
6 method for receiving, downloading via a data  
7 communications link.

8 And I'd also point out, your Honor, that it's  
9 exactly the contents of the sequencing file that is  
10 downloaded that we're trying to convey to the jury here.  
11 And if you go to claim 1 of the '178 patent, I think this  
12 is a good place to look at it.

13 Khoa, could I have Slide 13?

14 And here, your Honor, we know that, tracing  
15 back the said sequencing file, (reading) a processor for  
16 delivering a succession of audio program files in the  
17 collection in said ordered sequence specified by said  
18 sequencing file. And if you trace that back to the  
19 (reading) said sequencing file containing data specifying  
20 the ordered sequence, this is the same file that's  
21 downloaded which contains the specified sequence of  
22 playback.

23 THE COURT: All right. Are you concerned  
24 about the problem of the difference between downloading  
25 which means something, I guess, from one computer to

1 another as opposed to received, which I guess could be --  
2 oh, I guess you could set up a tape recorder and receive  
3 audio over a telephone line; or you could have a VCR  
4 receiving audio and maybe even visual, which is not  
5 downloading. It's just copying. Is that the -- you're  
6 wanting to be sure that this is focused in on downloading  
7 as we understand that with computers?

8 MR. ELACQUA: Downloading is in the claim here  
9 in --

10 THE COURT: Right.

11 MR. ELACQUA: -- the '178, and in the '076 the  
12 structure for the receiving is what would be a typical  
13 download via modem and Internet connection.

14 THE COURT: I guess what I'm getting at,  
15 though, is at the beginning you showed me the slide; and  
16 I recall that from the prosecution history, where they  
17 take out "receiving" and they put "downloading." Is your  
18 point you want to keep them focused on downloading and  
19 not let them broaden it back out to a general reception?

20 MR. ELACQUA: Yes.

21 THE COURT: Okay.

22 MR. ELACQUA: The point is, your Honor, they  
23 surrendered the scope of receiving from an external  
24 source, downloading via data communications link, via  
25 server, the sequencing file.

1 THE COURT: Okay.

2 MR. ELACQUA: And this is the sequencing file  
3 that specifies the playback order.

4 THE COURT: All right. Let me suggest --

5 And if you'll give the control back to Laura.

6 Let me suggest a -- and this would be Court's  
7 Exhibit 5. And here I'm focusing on not so much where it  
8 comes from or whether it's downloaded or receiving or  
9 whatever because I think those terms are already in there  
10 and just what it is. And in Court's Exhibit 5 I have  
11 suggested (reading) file of data establishing a sequence,  
12 comma, sequencing file, comma, and playback session  
13 sequencing file mean, quote, a file that identifies the  
14 order in which audio program segments are to be played  
15 and that -- I guess that should be -- contain information  
16 about the sequence of events that occur during playback.

17 In other words, we're focusing on what those  
18 things are as opposed to how they get there or  
19 necessarily maybe how they're used because I think those  
20 are in other elements. So, if we're looking at just the  
21 definition of these terms -- let me hear from Personal  
22 Audio.

23 And if you would, go ahead and correct that  
24 "contains" to "contain," if you can.

25 Okay. Ms. Mullendore pointed out to me that

1 grammatically "contains" is correct. It's a file that  
2 contains, yes.

3 So, any objections or -- what objections might  
4 you have from Personal Audio to this definition of those  
5 three terms?

6 MR. HOLDREITH: Your Honor, we have no  
7 objection to removing the language in our proposed  
8 definition, which is "received by the player."  
9 "Downloaded" is recited in the claim; so, we're not  
10 trying to get away from "downloaded" or strike that term  
11 or replace it.

12 Sequencing file -- it occurs in claims that  
13 recite receiving, and it occurs in claims that recite  
14 downloading; so, that's why we said "receiving" would  
15 then cover both. But we're happy to strike that  
16 language; so, that's not a problem for us.

17 The two things that I see in this  
18 construction -- it's not our construction; so --

19 THE COURT: No. It's mine. That's what I'm  
20 asking, are you going to object to it. I mean, I --

21 MR. HOLDREITH: Yeah.

22 THE COURT: Just so you know because I'm not  
23 sure you've been before me before, I spend a lot of time  
24 going over the briefs in advance and start drafting out  
25 what I want to do. I expect you, as good experienced

1 counsel, to help point out possible errors in what I  
2 have. If you don't point them out, you may wind up  
3 waiving them. But this is your chance to help me come up  
4 with a proper construction. So, I understand it's not  
5 your construction. It the one that I've been working on  
6 with Dr. Shipman and Ms. Mullendore, both of whom are  
7 engineers.

8 MR. HOLDREITH: I understand, your Honor; and  
9 I will be very specific --

10 THE COURT: Okay.

11 MR. HOLDREITH: -- about two things that I  
12 see. One is that as the claim reads, it's the data that  
13 identifies the order rather than the file. And it's a  
14 nuance, but I think Apple is trying to craft either a  
15 noninfringement argument or some kind of argument that I  
16 don't fully appreciate yet by somehow suggesting that  
17 it's different for the file to establish the order versus  
18 the data in the file establishing the order.

19 So, if we want to be strictly accurate to the  
20 claim language, it would be a "file of data" that  
21 identifies the order. And that's just using the actual  
22 language of the claim itself.

23 The other thing that I see in this  
24 construction is in the last clause, "that contains  
25 information about the sequence of events that occur

1 during playback," that's certainly something the file can  
2 contain; but as I read the specification, there are  
3 embodiments where the sequencing file consists only of a  
4 series of integers that establish the order of playback.  
5 So, there is no other information in that file.

6 So, we would certainly agree that the file can  
7 contain information about the sequence of events that  
8 occur during playback; but we would not agree that it's  
9 limited to that, it must contain that information.

10 THE COURT: Well, isn't that language taken  
11 right out of the specification itself?

12 MR. HOLDREITH: There are doubtless preferred  
13 embodiments that do contain other information in the  
14 sequencing file. Absolutely true. But I don't think  
15 every embodiment is required to include that information.

16 THE COURT: Well, I guess I'm trying to figure  
17 out if there is no information about the sequence, if it  
18 just says "identify the order," what that gives you. I  
19 mean, from a technical perspective, if you wind up with  
20 just a file that identifies the order in which audio  
21 program segments are to be played and that's it -- I  
22 mean, you're saying there are some embodiments and that's  
23 it, there is no information about the sequence of events  
24 that occur during playback. Are you sure that's what you  
25 want? Do you want to discuss that with your expert?

1 MR. HOLDREITH: May I? Yes. Thank you, your  
2 Honor.

3 Your Honor, what was just pointed out to me is  
4 I'm probably construing "events" here a little bit; and  
5 it depends on what "events" mean. If events are things  
6 like the song ends, the counter is reset, the computer  
7 keeps track of where it is in the sequence, that's  
8 absolutely correct.

9 THE COURT: Yes. If you don't have that, you  
10 don't have much, do you?

11 MR. HOLDREITH: That's true. Yeah. My  
12 misunderstanding -- I was thinking of events as -- there  
13 is an embodiment where there are announcements of what  
14 the available topics are and there are hyperlinks to  
15 those topics and that is a preferred embodiment that I  
16 think doesn't --

17 THE COURT: Well, that one may have more  
18 information than another one.

19 MR. HOLDREITH: Right. Right.

20 THE COURT: But if you don't have any of that,  
21 then you almost have nothing.

22 MR. HOLDREITH: I agree with that.

23 THE COURT: Okay. So, based on that,  
24 understanding that in some cases it may be more  
25 information and some cases it may be less information, it

1 does contain some information.

2 MR. HOLDREITH: Your Honor, on that basis we  
3 would have no objection --

4 THE COURT: Okay. All right. Let me hear --

5 MR. HOLDREITH: -- to that part.

6 THE COURT: Let me hear from Apple, then, on  
7 your thoughts. Again, focusing in on just these terms,  
8 what objections you have to this proposed definition?

9 MR. ELACQUA: Your Honor, I think the first  
10 part, "a file that identifies the order in which audio  
11 program segments are to be played" -- I think we're okay  
12 with that.

13 On the second part, I guess my concern is it  
14 says "and that contains information about the sequence of  
15 events that occur during playback," specifying that the  
16 information about the sequence is -- information about  
17 the order and not necessarily -- I guess where I'm going  
18 is that there would be some sort of relationship between  
19 the information about the sequence of events and the  
20 order.

21 THE COURT: Well, isn't that going to depend  
22 on what is in the other claim elements? In other words,  
23 again, I'm defining these particular terms. When we take  
24 a look at, say, claim -- you know, a particular claim  
25 then and then that will -- in some cases you might have a



1 great deal of information and -- I mean, one of the  
2 embodiments that we had in the specification -- I think  
3 the actual word was "contains detailed information."  
4 Well, in some embodiments it may be detailed. In some  
5 embodiments it may be pretty sparse.

6 But I think, as I just discussed with  
7 Mr. Holdreith, I don't see -- it does disclose and the  
8 specification does disclose some kind of information  
9 about the sequence of events. It may just say "end,"  
10 "start," whatever; but there is something there. It's  
11 not just a list of segments.

12 MR. ELACQUA: I agree. I think, your Honor, I  
13 guess where I'm trying to articulate is the file that  
14 identifies the order and the information about the  
15 sequence -- I think the information about the sequence of  
16 events has to be information about the actual order  
17 within the file and not some other information not  
18 relating to the order.

19 THE COURT: Well, I guess we're kind of on  
20 the -- you want to limit how much information is in  
21 there. And I guess in my mind when you're setting  
22 something like this up, you've got a sequence. You're  
23 going to have to have somewhere in the program "start,"  
24 "stop," "pause." The way they've tried to set it up --  
25 and I understand you maybe disagree that they could

1 actually do it, but there may be a way -- when you say,  
2 "skip," there's got to be a way for the program to  
3 identify what it is you're talking about.

4 I mean, there's, I mean, almost in the nature  
5 of, I guess, address information, that kind of a thing,  
6 that is going to be in there. I mean, that's what I'm  
7 trying to get across in this -- and I'm trying part of  
8 this language straight from the specification at '076  
9 patent, Column 12, lines -- looks like -- about 3 through  
10 15 as one embodiment gave me part of that language.

11 But what is it that you're -- I mean, you seem  
12 to have some concern. Tell me what it is.

13 MR. ELACQUA: Your Honor, I think we can live  
14 with this construction.

15 THE COURT: Okay. Now, Personal Audio brought  
16 up the idea that it should start off with "a file of data  
17 that identifies the order" as opposed to "a file that  
18 identifies the order."

19 Go ahead and put that in and mark it as 5A.

20 All right. This is what Personal Audio talked  
21 about when they were discussing it with me. Let me see,  
22 from Apple's point of view, if you have any concern  
23 between this version as opposed to the one I just had in  
24 5, the difference between -- this starts off with the  
25 three terms mean "a file of data that identifies the

1 order." The previous one just said that it was "a file  
2 that identifies the order." Any concern about that from  
3 Apple's point of view?

4 MR. ELACQUA: Both would be acceptable, your  
5 Honor.

6 THE COURT: Okay. All right. Then probably  
7 we'll wind up going -- and that's the one I think  
8 Personal Audio preferred; is that correct?

9 MR. HOLDREITH: "A file of data" is what we  
10 preferred.

11 THE COURT: Okay. And that will probably be  
12 the one we will use, 5A.

13 All right. We're going to take a short  
14 recess. I will ask you to be back at 20 past, and we'll  
15 be using the clock up there.

16 (Recess, 11:10 a.m. to 11:21 a.m.)

17 (Open court, all parties present.)

18 THE COURT: Just -- let me ask both sides a  
19 question on this last term or set of terms we went over,  
20 "a file of data," "establishing a sequence," and a  
21 "sequencing file" -- or a "playback session sequencing  
22 file." At a very basic level, would it be enough to just  
23 have the addresses of the segments? I mean, from a  
24 technical point of view, is that enough?

25 And let me ask first Personal Audio whether

1 you think that's enough.

2 MR. HOLDREITH: May I have just a moment?

3 THE COURT: Sure.

4 And same from Apple's point of view and if you  
5 need to discuss it with your technical advisor. I mean,  
6 do you think that just a list of addresses is enough in  
7 the context of this patent or these claims?

8 Understanding that on certain claims much more  
9 information may be implied; but in the basic definition,  
10 is that enough?

11 We'll start off with Personal Audio. What's  
12 your thought?

13 MR. HOLDREITH: Your Honor, I think that if  
14 the data just had identifiers of the songs -- and I think  
15 I understood the court to say they would be, for example,  
16 the memory locations of the songs --

17 THE COURT: Well, a list of addresses, right,  
18 so they know where they -- and that's all there is, just  
19 a list of addresses.

20 MR. HOLDREITH: I think that could be adequate  
21 to describe the sequencing file; although, it does  
22 cooperate with other limitations.

23 THE COURT: Right. There have to be other  
24 limitations. But if we're just talking about "sequencing  
25 file" at the basic level, in some circumstances could

1 that be enough?

2 MR. HOLDREITH: I think the answer is yes.  
3 It's a nuance question and we've just chatted about it  
4 here to a second, but I think the answer is yes, that  
5 could be enough.

6 THE COURT: Okay. What about from Apple's  
7 point of view?

8 MR. ELACQUA: Your Honor, I think if the  
9 addresses specify on the mass storage device where the  
10 program segments are stored, I think that would be  
11 enough.

12 THE COURT: Okay. So, would that indicate,  
13 then, when we're looking at the definition --

14 Go ahead and put up 5A, if you would, please,  
15 Laura.

16 -- that -- and I'm taking a look at the last  
17 three lines where it says (reading) program segments are  
18 to be played and that "may" contain information about the  
19 sequence of events that occur during playback. Would  
20 that then bring in that possibility that all we have is  
21 the list of addresses and -- if I change it to that,  
22 "that may contain information," does that -- what are  
23 Personal Audio's thoughts about that?

24 MR. HOLDREITH: Your Honor, that was my  
25 original suggestion; and I think, as I stand here, that

1 sounds like a reasonable construction.

2 THE COURT: Okay.

3 MR. HOLDREITH: You know, if I just --  
4 provided it's understood we think there are other  
5 limitations that have to cooperate with the file.

6 THE COURT: Well, each claim has its own  
7 limitations. I'm focusing on these terms here.

8 Let me hear from Apple about that one.

9 MR. ELACQUA: Your Honor, I think if you  
10 insert "may," I guess my read of that would be it might  
11 cause that last clause there to essentially fall out.

12 THE COURT: In certain circumstances --

13 MR. ELACQUA: It may have them or may not.

14 THE COURT: Right, in certain circumstances.  
15 You're exactly right. That's why I asked the question  
16 earlier about is it enough to just have the list of  
17 addresses, which is that first part, the order.

18 MR. ELACQUA: I guess that's where I'm coming  
19 back to in the first part where -- and maybe this is what  
20 we were talking about before, about the information --  
21 the information has to be linked to the order in which  
22 the segments are to be played.

23 THE COURT: Right.

24 MR. ELACQUA: And I think if you insert "and  
25 may contain information about the sequence of events," I

1 guess I would view that last part as at that point maybe  
2 unnecessary. Because if you only may have it, then --

3 THE COURT: Well, it could be there in some  
4 circumstances; and it could be there -- and not be there  
5 in other circumstances. I mean, we know the sequence has  
6 to have -- basically the way this definition would work  
7 is that it has to identify the order in which the audio  
8 program segments are to be played. In other words,  
9 you've got to have the address information.

10 And then it may have some additional  
11 information such as the sequence but -- in other words,  
12 you could, for example, I guess, get to a -- I don't  
13 know -- some kind of a choice or a stop here or something  
14 like that. I mean, that's the question is does it do any  
15 violence to your idea of the definition or cause a  
16 problem if we put in "that may contain" as opposed to the  
17 way it is now, must contain.

18 MR. ELACQUA: Yeah. There's definitely no  
19 violence in patent litigation. That's for sure. So --

20 THE COURT: You've been in some of the trials  
21 where we've actually had some violence practically in  
22 this court.

23 MR. ELACQUA: That's right. There's nothing  
24 violent about this type of profession.

25 Could I have a second?

1 THE COURT: Sure.

2 MR. ELACQUA: Your Honor, I would say I think  
3 if you're going to add the "may," I don't think the last  
4 part is necessary. So, our preference -- I understand  
5 what you were talking about before, about the address  
6 information. So, I would say as is or without the "may."  
7 And if you are inclined to add the "may," I would say  
8 that we don't need the last section.

9 THE COURT: Okay. All right. Thank you.

10 All right. Let's now go on to the next -- and  
11 this would be the "receiving" in the '076 patent,  
12 claims 1 and 14, "means for receiving and storing a file  
13 of data establishing a sequence"; and that's the '076  
14 claim 1.

15 Interesting enough, from the briefing it  
16 appears that Personal Audio focuses heavily on the  
17 receiving and Apple focuses heavily on the storing, but  
18 the definitions seem to have both. Maybe I -- you know,  
19 maybe this was just the emphasis that was being given.

20 So, let me start off with on the receiving  
21 part of this. Apple seems to reject Personal Audio's  
22 proposal that receiving comes from outside of the player  
23 itself, or that second device. But just looking at  
24 claim 1, it starts off with -- and we talked a little bit  
25 about this before. I mean, it's a player comprising; and



1 one of the things it's comprised is "means for  
2 receiving." So, how -- maybe I just misunderstood, but  
3 why would you reject a proposal that this receiving has  
4 to come from something other than the player itself?

5 MR. STEPHENS: Your Honor, if I may, I guess  
6 first I would say that it's odd to say that exactly the  
7 same mass storage device performs the two different  
8 claimed functions of storing versus receiving and  
9 storing. But, secondly, I think I can put up a slide  
10 that will help --

11 THE COURT: All right.

12 MR. STEPHENS: -- kind of explain our issue.

13 Here we go. So, the issue here really is,  
14 your Honor, that the structure that Personal Audio  
15 identifies as the means for receiving and storing is  
16 inside the player and can't receive data from outside the  
17 player. It receives data from the CPU which is inside  
18 the player. So, by the time the persistent mass storage  
19 device can receive the data, it's already inside the  
20 player.

21 So, if you want to say that "receiving" means  
22 it comes from outside the means for receiving and  
23 storing -- in other words, from outside the persistent  
24 mass storage device -- that's at least consistent. I  
25 think that Personal Audio's construction is internally

1 inconsistent because they're saying "receiving" means it  
2 comes from outside the player rather than outside the  
3 means for receiving and storing.

4 And the means for receiving and storing that  
5 they identify is incapable of receiving information  
6 that's not already inside the player because it comes  
7 from the CPU according to Figure 103.

8 So, if we could --

9 THE COURT: Wait a minute. When you go  
10 through their description, their detailed description  
11 just at Figure 1 -- and you're showing a part of Figure 1  
12 up there -- doesn't it come through the modem which --

13 MR. STEPHENS: That's correct, your Honor.  
14 So, it's the modem actually that receives things from  
15 outside the player. And that, of course, is what we  
16 contend would be the means for receiving because it is  
17 true ultimately that the sequencing file comes from  
18 outside the player. But because the persistent mass  
19 storage device can only receive data that's already in  
20 the player, it doesn't make sense for it to be the means  
21 for receiving.

22 Instead, the thing that's specifically  
23 identified as receiving in the specification is the  
24 modem. So, it says, at Column 5, lines 44 to 46, that  
25 the player (reading) includes a conventional high-speed

1 data modem for receiving the program information from the  
2 remote server. So, it's the modem that does the  
3 receiving.

4 THE COURT: But that's getting into structure.  
5 Right now, I mean --

6 MR. STEPHENS: Well, but --

7 THE COURT: When we get into the "means for  
8 receiving and storing a file of data establishing a  
9 sequence" or the receiving part, is there really any  
10 question that this is -- I mean, they're talking about  
11 the player, second device, whatever you -- and I  
12 understand there is a dispute over use of the word  
13 "player" even.

14 But the way it's described is it comes in from  
15 this first device or what they describe, when they're  
16 explaining Figure 1, as the server. I mean, it comes  
17 from the -- I mean, the information comes from the  
18 outside. Sure, it may travel around inside the player  
19 device itself from place to place; but even you seem to  
20 be agreeing that it comes to the modem from outside.

21 MR. STEPHENS: All my point is, your Honor, is  
22 that the structure has to be consistent with the  
23 function. And if you're going to construe the function  
24 of receiving to be it comes from outside the player, then  
25 it has to be the modem that does the receiving.

1 THE COURT: Okay. We'll -- okay. All right.

2 MR. STEPHENS: So, if you're going to argue  
3 that the structure is the mass storage device, then you  
4 can't construe "receiving" to be coming from outside the  
5 player; you have to construe it to be coming from outside  
6 the mass storage device, i.e., the means for receiving  
7 and storing, according to Personal Audio.

8 They just have to be consistent. That's the  
9 argument I'm making. We contend, of course, that the  
10 modem is the thing that does the receiving and that, you  
11 know, therefore, it comes from outside the player because  
12 only the modem could do that. And, again, the modem, of  
13 course, is explicitly described as doing the receiving in  
14 the spec.

15 THE COURT: I mean, are you arguing that the  
16 means for receiving and storing have to be the exact same  
17 thing? I mean --

18 MR. STEPHENS: No, no.

19 THE COURT: It seems to me you're arguing the  
20 means for receiving has to be whatever they've described  
21 as a modem and then the means for storing has to be  
22 whatever they describe as their -- looks like "program  
23 data," I guess, up there in -- what is it? 107?

24 MR. STEPHENS: Our position is, your Honor, it  
25 has to be all those things that are necessary to receive

1 the information and then represented appropriately on the  
2 mass storage device. So, it would include the mass  
3 storage device, the modem, and software for representing  
4 it in a format that can be recovered from the disk.

5 THE COURT: Okay. And I think -- and this may  
6 actually go back a little bit to what we talked about in  
7 the previous one. But if I'm recalling in your brief, in  
8 this connection -- and I may misremember this -- here's  
9 where you were arguing there was a difference between  
10 receiving a file and downloading a file. Now, here they  
11 do use "receiving" -- or is that just dealing with '178?

12 MR. STEPHENS: So, the means for receiving,  
13 your Honor, is in the '076 only; and the '178 explicitly  
14 requires downloading.

15 THE COURT: Okay. So that particular argument  
16 is just focused on the '178, then?

17 MR. STEPHENS: Well, they are related,  
18 obviously, because the means for receiving that is  
19 described and disclosed in the patent is a way of  
20 downloading.

21 THE COURT: Downloading, okay. All right.

22 Well, just focusing in on what the function is  
23 of this term -- I mean, I've gone ahead; and let's assume  
24 I have defined what "a file of data establishing a  
25 sequence" is. That's the previous one. For function, is

1 there any reason I can't just go ahead and plug in  
2 "receiving and storing" and then just put in the  
3 definition for "file of data establishing a sequence"?

4 MR. STEPHENS: I think you could do that. If  
5 you construe the "file of data establishing a sequence,"  
6 it would be appropriate to use it in the --

7 THE COURT: Function.

8 MR. STEPHENS: -- means for receiving and  
9 storing that particular file.

10 THE COURT: What about from Personal Audio's  
11 point of view? That would seem to me to be the logical  
12 thing if we're just looking at function. Because I've  
13 first got to establish the function. Then we've got to  
14 look at the structure, right?

15 MR. HOLDREITH: I agree with that analogy,  
16 yes, sir.

17 THE COURT: Okay. We just finished defining  
18 "file of data establishing a sequence." So, to come up  
19 with a function here on this term, it should just be  
20 "receiving and storing"; and then I just plug in that  
21 definition, right?

22 MR. HOLDREITH: I agree that that's correct,  
23 your Honor.

24 THE COURT: Okay.

25 MR. HOLDREITH: There may be a dispute between

1 us and Apple -- I'm hearing maybe there is not -- about  
2 the scope of "receiving." We were asking for a  
3 construction of "receiving" because it wasn't clear to us  
4 if Apple conceded that "receiving" means it comes from  
5 outside the player, and I'm --

6 THE COURT: Well --

7 MR. HOLDREITH: I'm not sure if that --

8 THE COURT: Okay. Well, let me ask Apple just  
9 to be sure on this. I don't see any way, given how the  
10 claims are set up, that the receiving portion of this  
11 isn't talking about receiving from the -- what they  
12 identify as the server. It's downloaded and maybe --  
13 now, we can argue about the structure. The structure  
14 probably has to be the modem for the receiving part of  
15 it, but I don't see where receiving is something that  
16 goes on inside the -- what they identify as the player.

17 MR. STEPHENS: Your Honor, I agree. The  
18 appropriate construction of "receiving" is -- or at least  
19 the appropriate reading of the entire claim and the  
20 specification is that it comes from outside --

21 THE COURT: Okay.

22 MR. STEPHENS: -- the player we're talking  
23 about.

24 My point is that it has to be -- the structure  
25 has to be consistent with that, and Personal Audio's

1 proposal is not.

2 THE COURT: Okay. All right. We'll get to  
3 the structure. But we agree, then, on the function; and  
4 we agree where this reception is coming from.

5 MR. STEPHENS: Your Honor, if I could add one  
6 point of clarification --

7 THE COURT: Sure.

8 MR. STEPHENS: -- on your earlier question  
9 about plugging in the construction for the sequencing  
10 file. I would like to --

11 Khoa, if we could go to Slide 50.

12 -- just point out that there are some  
13 variations in this "means" language; and I don't think it  
14 would be appropriate to take out, for example, the  
15 "scheduled" language there by simply plugging in the  
16 "file of data establishing a sequence," right? It's  
17 further qualified by the "in which said program segments  
18 are scheduled to be reproduced by" --

19 THE COURT: Wait, wait.

20 MR. STEPHENS: I'm sorry. The claim language  
21 is on the left. That's for '076, claim 1. And then the  
22 other two columns are just the parties' proposed  
23 constructions, including the structure.

24 So, if you just focus on the left column  
25 there, your Honor, the language I'm talking about is "in



1 which said program segments are scheduled to be  
2 reproduced by said player."

3 THE COURT: All right. What is that -- you've  
4 lost me on what you're trying to change.

5 MR. STEPHENS: I'm not trying to change  
6 anything.

7 THE COURT: Oh, okay.

8 MR. STEPHENS: I just wanted to make a point  
9 of clarification that when I said it would be appropriate  
10 to construe "a file of data establishing a sequence" in  
11 accordance with the construction, whichever it is that  
12 you ultimately adopt --

13 THE COURT: Right.

14 MR. STEPHENS: -- I don't think it would be  
15 appropriate to drop the rest of that qualifying language  
16 in this claim as a part of that.

17 THE COURT: Oh, no. And just to be clear,  
18 when I define a word or a term, I don't think it's proper  
19 to just drop out other language in the claim. Each  
20 element and each limitation have to be read in there.

21 What we're trying to do here is if there is a  
22 dispute or a potential dispute over certain words or  
23 certain phrases, what do they mean. And then, yes, after  
24 you plug that language back in, you've got to read the  
25 whole claim.

1 MR. STEPHENS: I assumed that, your Honor. I  
2 was just being excessively cautious probably.

3 THE COURT: All right.

4 Okay. So, we have, then, the function. We've  
5 agreed on that. Now let's take a look at the  
6 corresponding structure. And Personal Audio's proposed  
7 structure, I think, is the "persistent mass storage  
8 device or equivalents." That takes care of storage.  
9 What about receiving?

10 MR. MORTON: Yes, your Honor. Mr. Morton.  
11 I'll respond to that.

12 When we looked at this and tried to look at  
13 all of the claims as a whole --

14 And if I could get control of the overhead.

15 And this is in, you know, the other  
16 independent claim. It's in claim 14. This is the way  
17 this claim set was drafted. There is "a mass storage  
18 device for storing," and then it says -- it's  
19 highlighted -- "and further receiving and storing a file  
20 of data establishing a sequence." So, that was the  
21 initial basis of our construction on this, that the mass  
22 storage device itself can receive and store. It actually  
23 comes into the mass storage device, and then the mass  
24 storage device stores it.

25 We also, your Honor, if I could --

1 THE COURT: Well, wait a minute. Wait a  
2 minute.

3 MR. MORTON: Yes.

4 THE COURT: So, you're saying that when I'm  
5 defining -- and keep in mind paragraph --

6 All right. This slide you have -- just for  
7 the record, this is your Slide 151?

8 MR. MORTON: Yes, your Honor.

9 THE COURT: Okay. You're saying that when I'm  
10 trying to define -- or identify the function and  
11 structure for the "means for receiving and storing a file  
12 of data establishing a sequence" in claim 1 of the '076  
13 file [sic], I should look to claim 14 and say that that's  
14 just a mass storage device?

15 MR. MORTON: Essentially --

16 THE COURT: Claim 14 -- the mass storage  
17 device is a device. It's an apparatus. Isn't it? I  
18 mean, that's what claim 14 starts off with.

19 And, so, I'm to take that as being what the  
20 structure is in that means-plus-function claim in -- or  
21 means-plus-function element in claim 1?

22 MR. MORTON: Your Honor, it certainly is a  
23 canon of claim construction to consider the other claims  
24 and how they are drafted and how the words are used in  
25 the other claims. So, that's the legal basis for looking

1 at claim 14.

2 Claim 14 does call for a mass storage device.  
3 That's the structure there. That's, I think, the same as  
4 persistent mass storage that we've identified as  
5 corresponding structure for claim 1.

6 THE COURT: Well, aren't claims allowed to  
7 claim different things?

8 MR. MORTON: Certainly.

9 THE COURT: I mean, isn't that what they  
10 usually do is in 14 we have a structure that does  
11 thus-and-so and maybe in claim 1 we have a  
12 means-plus-function that maybe is a little different so  
13 we cover the waterfront?

14 Are you telling me what you want me to do --  
15 and I guess maybe this is what you actually meant in your  
16 brief, that I'm supposed to say that a mass storage  
17 device is the means for receiving and storing?

18 MR. MORTON: I do think a mass storage device  
19 can receive and store information.

20 THE COURT: Well, in that case that's not  
21 necessarily from the outside. That's right inside the  
22 player itself, and we don't even need the server -- what  
23 the patent identifies as the server or that first device.

24 MR. MORTON: And I've been sensing that  
25 tension as the argument has progressed here, your Honor.

1 THE COURT: So, why would you want to go  
2 there?

3 MR. MORTON: This was our position based on  
4 the claim language and the way the words have been used.  
5 If your Honor is telling me --

6 THE COURT: I'm not -- I mean, no, you tell me  
7 what your argument is. I'm wondering why you want to go  
8 into that trap, but go ahead.

9 MR. MORTON: I don't want to go into a trap,  
10 your Honor. I mean, our argument was simply that  
11 claim 14 says the mass storage device can receive and  
12 store; and that just is, you know, education for one of  
13 skill in the art of how the language is used in this  
14 patent.

15 And we also looked at a prior case from this  
16 district -- this court, I think -- that had a mass  
17 storage device that would receive and store. And between  
18 those two things, I mean, that was the basis for our  
19 position.

20 THE COURT: All right. Well, let me ask  
21 Apple. You give a proposed structure being very defined  
22 that, you know, the "1996 high-speed data modem as  
23 depicted at 115 at Figure 1 connected via dial-up  
24 telephone to an Internet service provider." Now, you're  
25 taking that -- you're interpolating the date, 1996

1 high-speed data modem, from the language of the  
2 specification that actually says "a conventional modem."

3           What's the case authority that I now start  
4 imposing or importing or applying date of manufacture  
5 limitations on a word like, you know, "a conventional  
6 modem"? I mean, I'm not sure of a case that would say  
7 when you're talking about something like a modem being  
8 the means of receiving, that there can't be any advances  
9 in modem technology. They might get smaller -- well, in  
10 computer technology things seem to get faster all of the  
11 time. The amount of information that can be stored  
12 increases all the time.

13           But in terms of the patent, to say, oh, no,  
14 you can only use the 1996 -- well, heck, if this was back  
15 in the old days, you could only use vacuum tubes. I  
16 mean, that's not -- where are we getting that it has to  
17 be a 1996 high-speed data modem as opposed to modems?

18           MR. STEPHENS: Your Honor, may I briefly  
19 address the argument that Personal Audio made; and then,  
20 of course, I'll turn to the question you just raised?

21           THE COURT: Yeah. Maybe you can explain to me  
22 what they're saying. Go ahead.

23           MR. STEPHENS: I don't understand it, your  
24 Honor. I think it would be inconsistent with the law of  
25 means-plus-function claims to look to an apparatus claim

1 to say that defines the scope of a means-plus-function  
2 claim.

3           It's clear you look to the function that's  
4 described in the means-plus-function claim and then to  
5 the structure in the patent that's tied to that  
6 particular function and performs that function in the  
7 spec, and that's clearly the modem and the related  
8 software for downloading over the Internet in the  
9 specification.

10           But that brings us then back to the point  
11 your Honor is making. And the law that I would rely on,  
12 your Honor, is the law that says you look to the  
13 structure that's actually disclosed, right? And the  
14 modem that was disclosed is a modem that was available in  
15 1996 because the modems that we have today hadn't been  
16 invented yet.

17           So, the question that your Honor raises is one  
18 of equivalents, right? You look to the technology that  
19 might be used today to perform a similar function, and  
20 you say is that equivalent to the technology that's  
21 described in the patent in such a way that I make the  
22 determination that that limitation is met.

23           You can't read technology of the future into  
24 the structure for performing the function in a patent  
25 because that technology of the future is not disclosed.

1 We can only look at the technology that's actually  
2 disclosed. And the modems that were available in 1996  
3 were roughly 28.8 thousand bits per second; whereas,  
4 today there are modems out there that will do a thousand  
5 times that speed.

6 So, whether or not that's equivalent is a  
7 legitimate question and is answered when you're making an  
8 assessment of whether that limitation is actually present  
9 in a modern-day device. But that technology is not  
10 disclosed in the patent and, therefore, can't be read  
11 into it by abstracting the structure that actually is  
12 disclosed to ignore those differences.

13 THE COURT: Well, it seems to me you're almost  
14 back to the -- well, the very simple analogy I'm using of  
15 the airplane wing; and, so, some new technology comes  
16 along -- I mean, a faster modem comes along. Let's say  
17 use a modem, use a conventional modem, use modems -- I  
18 mean, that's just a way of getting it in there. It  
19 really is not the key idea or the germ of this patent.

20 Now, I understand you have arguments maybe,  
21 you know, later on about validity and so forth. But  
22 you've got an idea or a series of ideas that are  
23 patented, and exactly what kind of modem it is doesn't  
24 seem to -- to be talking in terms of, "Oh, well, we came  
25 up with a much faster modem; so, therefore, that's not



1 disclosed" --

2 MR. STEPHENS: Your Honor, I fundamentally  
3 disagree and for the following reason. Dr. Almeroth has  
4 urged to the Patent Office that there is a patentable  
5 invention here precisely because one in 1996 would have  
6 expected that a modem was too slow to download audio  
7 files.

8 So, the notion that you should read into the  
9 specification, via this abstraction, all that matters is  
10 you're moving data would ignore something that they claim  
11 to be essential to not being able to come up with this  
12 invention in 1996. Right?

13 They've said that, you know, somebody wouldn't  
14 have thought of this because modems were too slow. Well,  
15 that means that you have to be limited to the structure  
16 that's disclosed, which was a slow modem, because that's  
17 all that was available at the time.

18 If you say that I'm not limiting the structure  
19 to a 1996 modem, then you eliminate the argument that  
20 this invention wasn't obvious at the time because you  
21 could pop your audio files over the modem very quickly,  
22 of course.

23 THE COURT: I mean, there what you're saying  
24 is that, "Gee, if we had just waited, it would become  
25 obvious the world was -- you know, Columbus gets no

1 credit because once we had astronauts, we would have all  
2 known the world was round."

3 I mean, sure, when technology gets bigger and  
4 faster, then suddenly everything becomes obvious. But  
5 obviousness is was it obvious then. And maybe -- I mean,  
6 you're talking, no, it wasn't obvious because everyone  
7 thought it was too slow. Sure, maybe in 2008 or whatever  
8 it becomes clearly obvious. But so what? They thought  
9 of it back when things were slow.

10 And then you're saying, "Well, in that case  
11 just because we figured out a way to do it faster, they  
12 lose"? I mean, that's just --

13 MR. STEPHENS: No, no, no, your Honor. That's  
14 why it's a question of equivalents, right? That's why  
15 you look to see whether there is an actual substantial  
16 difference between the technology of today versus what's  
17 disclosed in the patent.

18 So, you have to look at the technology that  
19 was available to determine what the invention is and what  
20 the scope of it is in a means-plus-function claim. The  
21 issue of whether or not later developed technology is  
22 within the scope of that is determined by equivalents.

23 THE COURT: Okay. All right. Well, let me go  
24 back to Personal Audio. You seem to just want something  
25 called "persistent mass storage device or equivalents."

1 And that's the structure. I mean, that's my  
2 understanding. That's what you want, and you take that  
3 just because claim 14 describes a mass storage device.  
4 And how is that an adequate disclosure? I mean, what is  
5 this mass storage device?

6 MR. MORTON: I'm not sure I understand  
7 your Honor's question.

8 THE COURT: Well, I mean, you're just saying I  
9 should -- my definition for structure should just be "a  
10 mass storage device" or "a persistent mass storage device  
11 or equivalents"?

12 MR. MORTON: I think that a mass storage  
13 device can receive and store. And, again, the other  
14 thing that I was mentioning on this point was the prior  
15 case; and it's the *Finisar* case, your Honor. And in that  
16 case it was talking about receiving and storing video,  
17 satellite feed video; and I think it was not disputed and  
18 it was not appealed that various forms of storage could  
19 receive and store that video feed. So, that was the  
20 basis, you know, for this position.

21 THE COURT: Okay.

22 MR. MORTON: I do -- if your Honor would give  
23 me the opportunity, I do fundamentally disagree with  
24 Apple's proposal and all the details that are in there.

25 THE COURT: All right. Laura, go ahead and

1 put up on screen what we started to look at.

2 We start off with the "means for receiving,"  
3 and it is probably -- maybe not as date controlled as  
4 Apple wants, but it does seem to me that one of the  
5 things I should look at is go through the specifications  
6 and pick out specifically what the specifications  
7 identify. I mean, that's a typical way of doing a --  
8 identifying the structure in a means-plus-function term.

9 And I guess the question I'm going to have is  
10 are there any that are missing or any of these that you  
11 think are incomplete? We're coming up on the lunch  
12 break; and, so, what I'll probably do is give you copies  
13 of these so you can take a closer look at them. It's a  
14 little difficult to read these all right now.

15 But before we get there -- because I'm going  
16 to give you a chance to look at this other -- go ahead  
17 and put up "means for storing" because that's, I think,  
18 the second structure.

19 I think I have to identify a means for  
20 receiving and a means for storing. And I understand  
21 Personal Audio thinks one thing does both of them, but  
22 this is -- and I've got the -- and this would be -- the  
23 previous one was Court's Exhibit 6; so, that was up there  
24 with the -- a draft of what the "means for receiving"  
25 would be or the structure identified. And then this

1 second one on Court's Exhibit 7 sets out the structure  
2 for storage, and I identify there the parts of the  
3 specification that cover that.

4 And I think the easiest way to do this,  
5 because it's a lot of information and I don't think it's  
6 fair in this particular case to have you just give me  
7 your thoughts immediately because especially Number 6 is  
8 a rather long list, is I'd like you to take a look at  
9 these two over lunch; and then when we get back, we'll go  
10 into -- and this may be more, from Personal Audio's point  
11 of view, what additions should be made and then, maybe  
12 from Apple's point of view, what subtractions should be  
13 made or changes should be made.

14 I gather that Apple wants a much more closely  
15 defined set of words, and I'm gathering that Personal  
16 Audio may want to go to something just as bold or broad  
17 as just "persistent mass storage" and that's it. And  
18 I've got some concern about that, but I'll give you  
19 copies of these two so you can take a look at them.

20 It is about 12:00 right now; and I will ask  
21 you to be back, then, at 1:15. That should give  
22 everybody a chance to get to lunch and get back here, and  
23 we'll go on with the remaining terms. So, we'll be in  
24 recess at this time.

25 (Recess, 12:01 p.m. to 1:20 p.m.)

1 (Open court, all parties present.)

2 THE COURT: All right. We're back on the  
3 record, and before lunch I had given each side a copy of  
4 one of the proposals for the "means for receiving and  
5 storing" and the "means for receiving" and then the  
6 "means for storing."

7 Over lunch as we were taking a look at it, we  
8 realized I had missed one that was at column 10 which  
9 added another description of "means for receiving." And,  
10 so, it's -- basically what you've got in front of you  
11 right now is Court's Exhibit 6A as opposed to what was  
12 previously up as Court's Exhibit 6. It's basically the  
13 same identification of structure except a sixth one that  
14 would be as defined there at Column 10, the "higher speed  
15 access, such as an ISDN or cable modem link." And you  
16 see that as column 10, lines 1 through 6 of the '076  
17 patent.

18 All right. So, let me start off with Personal  
19 Audio. What other structures do you say are identified  
20 as the means for receiving?

21 MR. MORTON: Yes, your Honor. We did take a  
22 close look at your proposals, and I have some comments on  
23 all of these.

24 THE COURT: Okay.

25 MR. MORTON: If you want me to start with -- I

1 do have one other spot in the specification that we  
2 wanted to point out.

3 THE COURT: Okay.

4 MR. MORTON: So, I can start with that and  
5 that's at Column 14, lines 66 to 67, and it calls for a  
6 communication --

7 THE COURT: Let me get there first, please.

8 MR. MORTON: Yes. Sorry, your Honor.

9 THE COURT: Line [sic] 14, 66 through 67?

10 MR. MORTON: I'm concerned. I'm in the '076.

11 THE COURT: "Placing the downloaded  
12 information into a memory buffer"?

13 MR. MORTON: No. That's citing the '178  
14 patent. I apologize, your Honor.

15 THE COURT: Okay. The specification should be  
16 the same; although, the page and line numbers may be  
17 different, right?

18 MR. MORTON: It is, and I just to find it.

19 THE COURT: Well, I've got both patents up  
20 here.

21 MR. MORTON: Okay.

22 THE COURT: Column 14, you say?

23 MR. MORTON: Yeah. In the '178 it's  
24 Column 14, lines 66 and 67.

25 THE COURT: Okay. "When a communications

1 pathway such as an Internet or cellular phone link is  
2 available" --

3 MR. MORTON: Right.

4 THE COURT: -- "to connect the player."

5 Okay. And that may be covered in Items 1 and  
6 2. Item 2 does say "cellular" -- I guess it says  
7 "cellular radio"; so, maybe we need to have "cellular  
8 phone."

9 All right. What else?

10 MR. MORTON: Well, backing up to just kind of  
11 discuss each of these, I mean, I think in general it's,  
12 of course, the law that we have to focus on the claimed  
13 function, which is just the receiving and storing by the  
14 player.

15 THE COURT: Well, okay, again, I think you've  
16 got to divide out -- I mean, you could have some things  
17 that receive and other things that store. I mean, you  
18 might have a combination thing; but at the same time, I  
19 think I also should be able to identify or would have to  
20 identify the various means --

21 I mean, let's say component X does all the  
22 receiving and then component Y does all the storing.  
23 That's a means of receiving and a means of storing that  
24 would be covered, I think, by that claim term, isn't it?

25 MR. MORTON: Sure, your Honor, and I'm --



1 THE COURT: Okay.

2 MR. MORTON: I'm not taking issue with that  
3 right now.

4 THE COURT: All right. Go ahead.

5 MR. MORTON: I was just going to make the  
6 general point that we -- and we can limit it to receiving  
7 right now -- that we want to include only the details  
8 that are necessary to receive and not extra details and  
9 that we need to stick to the player and not other things  
10 such as the server computer or specific protocols or what  
11 have you. We have to stick to -- it's the claim to a  
12 player.

13 And I think if we do that, going through these  
14 four things, at least that's my view and my look at these  
15 as to how I would adjust these a little bit.

16 THE COURT: All right.

17 MR. MORTON: That's to focus on the player.

18 And I can go through them in order, I think,  
19 is fine with me.

20 THE COURT: All right.

21 MR. MORTON: So, for the first one, I think,  
22 you know, all that's in there that's in the player is the  
23 modem. And, so, "modem" or "conventional high-speed data  
24 modem," I think, is all you need for one. I don't think  
25 you need the host server, and I don't think you need the

1 protocols. And, again, a part of that is just not  
2 putting in detail that's unnecessary for performing  
3 the --

4 THE COURT: Well, what about the high-speed  
5 modem -- and it talks about particularly (reading) a  
6 high-speed modem connected via a conventional dial-up  
7 telephone SLIP or PPP TCP/IP series data communication  
8 link to an Internet service provider. I mean, isn't that  
9 one of the things that's identified?

10 MR. MORTON: Potentially if it was written to  
11 say the player has to have a modem -- for this one, a  
12 modem "for" connecting to those things. I mean, maybe  
13 it's an esoteric distinction, your Honor, but the  
14 telephone is not part of the player and the Internet  
15 service provider is certainly not part of the player.

16 So, you know, there could be a way of  
17 including that as long as we were saying maybe for each  
18 of these there is some structure of the player that's  
19 "for connecting" via some link to get the information,  
20 receive the information the player needs.

21 THE COURT: All right. Again, I'm not -- I  
22 guess I understand maybe you want to leave out, on  
23 Item 1, the sentence starting with "the service provider  
24 is in turn connected." Is that what you're talking  
25 about?

1 MR. MORTON: Certainly that would be one of  
2 the things, yes, your Honor.

3 THE COURT: All right. But take a look at  
4 that first -- and then the second sentence, "the host  
5 server provides" -- all right. I can follow your  
6 argument there. But in the first sentence where it's  
7 talking about how it's connected, I mean, you are talking  
8 about how it receives it. It's a (reading) high-speed  
9 data modem connected via conventional dialup telephone  
10 SLIP or PPP TCP/IP series data communication link to an  
11 Internet provider. That's how it's receiving it. Why  
12 would you say that's not in there?

13 MR. MORTON: It's just the point that I'm  
14 trying to limit it to just the structure in the player.  
15 That's why I said it would really be a high-speed  
16 modem -- even if you just put the word "for" in there,  
17 then that would be clearer it's for connected *[sic]*.

18 THE COURT: "For connected"?

19 MR. MORTON: "For connecting."

20 THE COURT: All right. And what's your  
21 next...

22 MR. MORTON: In the second one -- I mean,  
23 there is a similar issue where this is calling for the  
24 dedicated host computer. And, I mean, in this one I  
25 think the client stations are the player; and, so, really

1 what you need to have here is, I mean, the -- I mean, the  
2 structure is the client station has dialup telephone  
3 facilities, cellular radio, cable modem, or satellite  
4 link.

5 THE COURT: Okay.

6 MR. MORTON: In the third one -- this is again  
7 similar. I mean, I think the structure we're trying to  
8 get at here is a radio or infrared link for connecting to  
9 a local communications server. Whereas this is  
10 describing a link -- you know, there is the Internet and  
11 a link and then the local communications server, and then  
12 that is linked to the player. So, from the player  
13 standpoint, this would have a radio or infrared link for  
14 connecting to a local communications server.

15 THE COURT: Speaking of links, mine seems to  
16 have come unconnected.

17 (Brief off-the-record discussion.)

18 THE COURT: All right. Go ahead.

19 MR. MORTON: I think Number 4, "replaceable  
20 media, such as an optical disk cartridge," is fine.

21 Number 5. On this one I just want to, you  
22 know, have fidelity to the patent specification itself.  
23 It calls for a direct link between the player and then  
24 says (reading) which may be implemented using the  
25 Cellular Digital Packet Data service.

1           And I guess my proposal here would either be  
2 to just say one structure is a direct link or to put in  
3 "direct link between the player which may be implemented  
4 using a Cellular Digital Packet Data service."

5           THE COURT: Well, now, let's be careful  
6 because I'm supposed to list the structures that are  
7 identified in the specification. And what this does say  
8 is (reading) a direct link between a mobile client  
9 player, such as a laptop, may be implemented using the  
10 Cellular Digital Packet Data service presently available  
11 and so on and so forth. It doesn't describe other kinds  
12 of direct links; and it doesn't say "direct links such  
13 as." I mean, it's just listing one more kind of link. I  
14 mean, some of these others are fairly direct links, too,  
15 I guess.

16           MR. MORTON: Well, and that's -- I mean, most  
17 of these are links; and I think a link, a data  
18 communications link or direct link, is all you need to  
19 establish the receiving.

20           THE COURT: Well, again, we're doing a  
21 means-plus-function. Aren't I first supposed to identify  
22 or list out exactly what's identified and then it's "or  
23 equivalents"? And you may be able to argue about  
24 something being equivalent, but you don't get it at the  
25 first shot. You're going to have to show that it's

1 equivalent, right?

2 I mean, I think that's -- just as a matter of  
3 law I don't get to, when I'm defining this, broaden it  
4 out. I put in very specifically what's in the  
5 specification. You may then be able to argue that, well,  
6 A equals B or A is the same as equivalent to B under the  
7 means-plus-function doctrine; but I don't put that there  
8 in the definition, do I?

9 MR. MORTON: Well, to be clear on this one,  
10 your Honor, I think "a direct link," period, is enough  
11 structure for a person of skill in the art and that when  
12 you're looking at what's the necessary corresponding  
13 structure for receiving, that "a link" or "a direct link"  
14 is sufficient structure. And these are all different  
15 examples of links that are also provided. We're okay  
16 with listing them but --

17 THE COURT: Well, you would have to give me  
18 some authority for the proposition that in a  
19 means-plus-function construction when the specification  
20 identifies -- or has a sentence like "a direct link may  
21 be implemented using thus-and-so," I am then to take that  
22 as giving a broad structure going far beyond what's  
23 actually identified. I'm not saying it can't be -- that  
24 may be an equivalent; but that seems to me that's going  
25 to fall under the "or equivalent" which will be the

1 argument you make to a jury, isn't it?

2 MR. MORTON: And I understand the "or  
3 equivalent" point; and if that's where we end up, we're  
4 certainly prepared to make that argument, your Honor.

5 THE COURT: Okay. But what I'm saying here is  
6 if you've got some authority to the contrary -- I mean, a  
7 case that falls in with what you're talking about very  
8 closely -- you're going to want to cite that case to me.  
9 I mean, maybe not while you're standing there but before  
10 I finish writing the order because -- and each one of  
11 these -- and we can all cite, in this area of the law, a  
12 case for almost anything. You're going to want to look  
13 for a case that's very close on point but -- I mean,  
14 let's go ahead. What other comments do you have, and  
15 what other additions do you want to make?

16 MR. MORTON: I could belabor that point, your  
17 Honor, but I don't need --

18 THE COURT: Sure.

19 MR. MORTON: -- to right now. That was the  
20 extent of my comments.

21 THE COURT: All right. So, we have column --  
22 the addition, of course, is the Column 10 addition that  
23 we were able to find. So, any other -- I'm supposed to  
24 be identifying the structure for "receiving." Any other  
25 structures you think should be in there?

1 MR. MORTON: Additional structures, no.

2 THE COURT: Okay. All right. Let me hear  
3 from Apple, then, on this proposal that I've put up as  
4 Court's Exhibit 6A.

5 MR. STEPHENS: Your Honor, we think you've  
6 done an admirable job of going through the spec and  
7 finding the disclosed structures that correspond to the  
8 means for receiving.

9 On Number 6 that you've found over lunch, I  
10 would point out that if you look at that portion of the  
11 specification, you'll see that it's really talking about  
12 a high-speed service that would function in place of the  
13 telephone modem.

14 THE COURT: Right.

15 MR. STEPHENS: So, I think the right way to do  
16 that, your Honor, if I may, is to put it into Number 1,  
17 probably after the "TCP/IP series data communication  
18 link," say "or high-speed access, such as ISDN or cable  
19 modem, to an Internet service provider," because that's  
20 what I think is really being disclosed in the portion  
21 that you identified in the specification.

22 THE COURT: Yeah. I mean, it may go in there;  
23 or it may -- one conventional way of doing it is you just  
24 go through the spec and pick them out one after the  
25 other, and that makes it very easy for the Court of



1 Appeals to find them and anybody else. So, that's --

2 MR. STEPHENS: I understand the --

3 THE COURT: But I understand the way you're  
4 talking about it. That was the first question we had was  
5 haven't we already covered this.

6 MR. STEPHENS: I don't disagree with adding  
7 the ISDN and cable modem link. I just think that in this  
8 separate Alternative 6, it opens grounds for argument  
9 that that is a direct link apart from ISDN and cable  
10 modem or in place of the conventional dialup, in other  
11 words, any link will -- any high-speed link will satisfy  
12 Number 6. That's the concern I have because I don't  
13 think that's a fair reading of what the spec actually  
14 discloses at that point.

15 THE COURT: Well, no, ISDN is a particular  
16 protocol or a particular -- I guess it's the system the  
17 phone people used to have, I guess, before they had DSL.

18 MR. STEPHENS: That's right. But it's the  
19 "such as" language that concerns me. So, the argument I  
20 could imagine coming from Personal Audio would be --

21 THE COURT: Oh, okay. All right. The "such  
22 as." You're right.

23 MR. STEPHENS: So, the argument would be any  
24 high-speed link will do; and I don't think that captures  
25 the structure that's --

1 THE COURT: Okay. You're probably right. I'm  
2 probably going to pull out "such as." That may wind up  
3 being an equivalent argument that can be made later on.

4 What about his comments -- and I think he may  
5 have -- Mr. Holdreith [sic] made some comments -- and I  
6 think he may be correct -- on, for example, on Number 1  
7 that last couple of sentences talking about "the service  
8 provider is in turn connected to" and so on, that really  
9 doesn't have much to do with the means for receiving at  
10 the player end.

11 MR. STEPHENS: Well, it does, your Honor, in  
12 one particular respect. So, the player clearly uses the  
13 FTP protocol as well. That's disclosed in the  
14 specification, and it also is just the way FTP works.  
15 You have to have an FTP client and an FTP server. So,  
16 the FTP belongs in that Section 1, I think; and that, of  
17 course, would apply as well to ISDN and cable modem.  
18 That's the way you use an Internet connection to transfer  
19 files in this specification is through FTP so --

20 THE COURT: Well, what about the sentence in  
21 particular "the service provider" -- and that is -- "is  
22 in turn connected to the host server" --

23 MR. STEPHENS: Well, if you look at the player  
24 that's claimed and the player that's disclosed, you'll  
25 see it's a part of a system, right? The player gets its

1 audio from somewhere. So, having just the means for  
2 receiving isn't going to make the audio magically appear  
3 on your device. So, I don't think it's inappropriate to  
4 have something in the structure that refers to the  
5 source; but I do understand the concern.

6 THE COURT: Okay. All right. Okay. So, that  
7 then goes over the structure for the receiving; and then  
8 we have the storing.

9 And if Ms. Mullendore will provide that...

10 And this is on -- and actually it's 7A, and we  
11 put in a -- rather than "is," I changed it to "may be" to  
12 be more consistent because it can be one or the other.

13 All right. Again, other than that one change,  
14 it's the same as what you were looking at over lunch.

15 Let me hear from Personal Audio. Any changes,  
16 corrections, additions or whatever to the storing part?

17 MR. MORTON: No, your Honor.

18 THE COURT: All right. What about from Apple?

19 MR. STEPHENS: First just a question for  
20 clarification. Is this means for storing going to be the  
21 construction for both the means for storing that is  
22 recited separately from the means for receiving and  
23 storing or just for the means for receiving?

24 THE COURT: Well, actually I was going to put  
25 down a means for receiving and a means for storing.

1 MR. STEPHENS: I understand. So, that would  
2 then cover both limitations because there are, in fact,  
3 two different means for storing limitations.

4 THE COURT: Okay. I guess I'm not  
5 understanding your question. What --

6 MR. STEPHENS: So, there's a means for storing  
7 program segments in claim 1 and a means for storing the  
8 sequencing file. They're separately recited. And it  
9 matters for a reason I'll explain.

10 THE COURT: Okay.

11 MR. STEPHENS: So, I don't think that a disk  
12 by itself can store either program segments or a  
13 sequencing file. You've got to have a file system. All  
14 right? A disk only stores bits.

15 And in order to represent something other than  
16 a block of 256 bits or however the physical disk is  
17 organized, you need software that organizes the data on  
18 there in such a way that you can store something that is  
19 a file. A file is a logical construct that organizes the  
20 bits on the disk so that you can apply a name to it and  
21 retrieve it using the name. That's kind of what a file  
22 is. I'll defer to the experts on that, but that's sort  
23 of what a file is.

24 So, in order to store a file on a disk, you've  
25 got to have a file system. And in order to store audio

1 in a file, you need a format that is capable of  
2 representing sound waves of one sort or another as bits  
3 in a file.

4 So, our view, your Honor, is that the means  
5 for storing the program segments, for example, needs to  
6 include the disclosed formats for storing audio, in  
7 particular the TrueSpeech and MIDI file formats; and the  
8 means for storing the sequencing file needs to include  
9 the format for storing sequencing information as  
10 disclosed.

11 The disk can store bits, but it needs this  
12 logical organization overlaid on it to actually store the  
13 particular types of information that are recited as a  
14 part of these functions.

15 THE COURT: Okay. I thought -- and maybe this  
16 is the answer because a little bit later we will be  
17 getting into the "means for storing a plurality of  
18 program segments."

19 MR. STEPHENS: That's the other means for  
20 storing I was talking about, your Honor.

21 THE COURT: Right.

22 MR. STEPHENS: So, I agree. The structure I'm  
23 talking about --

24 THE COURT: And we will be getting to that.

25 MR. STEPHENS: Okay. Fair enough. I was

1 concerned that maybe this means for storing was going to  
2 cover both.

3 THE COURT: No. No, no. There is a separate  
4 means for storing the plurality of program segments, and  
5 we get to that a little bit later.

6 MR. STEPHENS: Okay. Now, I do think,  
7 however, that the same concerns with different  
8 corresponding structure will go apply to the sequencing  
9 file, right? To store a file, you still need a file  
10 system which doesn't come with a disk, right? You have  
11 to compose one.

12 And you also need a particular way of  
13 representing sequencing information or at least a  
14 sequencing file, and one is disclosed at some length in  
15 the patent.

16 THE COURT: And, so, you're talking about  
17 the -- your proposal involving "configured with a *Windows*  
18 *95* file system" and continuing on through there?

19 MR. STEPHENS: That's right, your Honor.

20 And I think it's worth pointing out that, you  
21 know, you might debate a bit about whether these  
22 structures belong in the "means for storing" or in the  
23 "means for reproducing." In fact, I think they belong  
24 both places because you need to be able to read a  
25 sequencing file and use that file to locate on the disk

1 where the next program segment that you're going to play  
2 on the list is. And those things implicate these  
3 structures I'm talking about directly, how do you find  
4 the program segment on the disk if you don't have a file  
5 system, all you have is a big bag of bits.

6           So, I think that the "means for storing"  
7 properly requires both a file system and a particular way  
8 of representing the kind of information that's recited in  
9 that particular function. So, in the "means for  
10 receiving and storing," it's a sequencing file. In the  
11 "means for storing program segments," it's an audio  
12 format.

13           THE COURT: All right. Let me hear the  
14 response from Personal Audio. In other words, I guess  
15 it's akin to you've got to show the algorithm or how it's  
16 being done on the machine.

17           MR. MORTON: Well, your Honor, this is one I  
18 don't think that got a lot of time and attention in any  
19 of the briefing. My reaction to it is that it's  
20 definitely going much deeper into the detail that's  
21 unnecessary for performing the claimed function. And, of  
22 course, that's what they want to do is get down to these  
23 minutiae. For a person of ordinary skill in the art to  
24 receive and store a sequencing file, all you need to say  
25 you have is what you've said here, memory. So, that's my

1 basic response to that.

2 MR. STEPHENS: Your Honor, if I may briefly,  
3 that's the same error I think that you pointed out  
4 earlier. You don't abstract from the structure that's  
5 there; you take the structure that's disclosed. And  
6 that's what we're talking about is the structure that's  
7 disclosed.

8 THE COURT: Well, I guess I'm wondering --  
9 and, of course, I'm pretty familiar with if all you have  
10 is a general purpose computer to do such-and-such, then  
11 the cases say, well, you have to give some kind of  
12 algorithm. But on the other hand, this is talking about  
13 individual -- I mean, we're talking about a device here,  
14 not just method; and we're talking about what it takes,  
15 not so much as to what is in it. So, it sounds to me  
16 that you may be pushing the envelope on what must be  
17 identified as structure.

18 MR. STEPHENS: I understand what you're  
19 saying, I think, your Honor; and I think your analogy is  
20 an apt one. It is somewhat like the processor situation  
21 because you have a general purpose digital storage  
22 device.

23 If you're going to have a means for storing  
24 audio or speech in a closet, right, and it's a  
25 means-plus-function claim for storing audio in a closet,



1 you need some physical medium to store it on and a way of  
2 putting on and recovering the sound from that.

3 This is sort of like that, right? You have a  
4 general purpose storage device that's capable of storing  
5 any kind of bits. By itself it is not capable of storing  
6 audio. You have to organize the information in such a  
7 way that you can retrieve it as audio, and the disk  
8 itself doesn't provide that structure.

9 The same is true for sequencing information.  
10 You need some logical structure provided by software or  
11 at least a format of data on the disk that allows you to  
12 say this bit of information represents a portion of a  
13 sound wave, the next one represents the next portion of  
14 the sound wave, and so on in order to recover a program  
15 segment from that disk or to store it on there in the  
16 first place.

17 THE COURT: Okay.

18 MR. STEPHENS: It's not like a record that's,  
19 you know, a single purpose storage device, a vinyl record  
20 that just identifying record itself tells you how to do  
21 it.

22 THE COURT: All right. Let's go on to the  
23 next -- the next one is the "data communications link"  
24 and "downloading...from one or more server computers."  
25 And Personal Audio says that "data communications link"

1 does not require construction; give it its plain and  
2 ordinary meaning. And Apple wants it to be a network  
3 connection.

4 So, let me ask Apple why it has to be a  
5 network connection. Are you trying to claim there's got  
6 to be two different networks here or -- why does it have  
7 to be a network connection?

8 MR. STEPHENS: Not at all, your Honor. The  
9 issue is this. We're not asking for a separate  
10 construction of "data communications link." We're  
11 asking, in effect, for the construction of the entire  
12 phrase, "a data communications link for  
13 downloading...from one or more server computers." And we  
14 have kind of broken it out as a way of addressing them,  
15 but what we're really after is a construction of that  
16 entire phrase.

17 And the reason we say that the data  
18 communications link needs to be a network connection is  
19 that it really doesn't make sense to download something  
20 from a server over a link that isn't a network, right? A  
21 server is designed to respond to requests from multiple  
22 clients, and to do that it needs to be on a network where  
23 it can be accessed by --

24 THE COURT: Well, let me ask your expert.  
25 Mr. Wicker?

1 DR. WICKER: Yes, your Honor.

2 THE COURT: Would you step to one of the  
3 microphones, please.

4 All right. Dr. Wicker, help me out. And this  
5 is just on the technology. You don't have to have a  
6 network to have a client -- a host/client-type  
7 relationship or a server/client-type relationship, do  
8 you? I mean, you can have it without a conventional  
9 network.

10 DR. WICKER: Well, your Honor, the concept of  
11 server/client architecture does imply a network. The  
12 server is there to serve many clients and --

13 THE COURT: Well, it doesn't have to. It  
14 could be one, right? I mean, you've got a computer; and  
15 its client, say, is the disk that goes into a camera  
16 or -- I mean, I understand that many times that's true.  
17 But when you just talk in general of a client and a  
18 server, it's not always true, is it?

19 DR. WICKER: Well, generally speaking when we  
20 use the terms "client" and "server," we are talking about  
21 something a little larger than a single-purpose  
22 server connected to a single client. Otherwise, we would  
23 talk more about the disk that's associated with a CPU, in  
24 which case you would have a one-to-one relationship.

25 THE COURT: And what are you basing that on, I

1 mean, other than that's what you're here to say? I mean,  
2 I'm taking a look at 1996 and the idea of -- you know,  
3 you've got this architecture; and if you have it drawn  
4 out there, you've got the server -- in fact, I think the  
5 IEEE talks about in terms of the server being relatively  
6 larger than the client. And that's basically the  
7 distinction they make; one is bigger than the other and  
8 provides services or information or data or whatever to  
9 the other.

10 DR. WICKER: That's certainly true, your  
11 Honor. But I think it goes a little bit more beyond  
12 that. If we're thinking about 1996, the Internet had  
13 just begun to switch over from a research tool to a  
14 public commercial network. Servers provided information  
15 to multiple users over the Internet. That was the term  
16 we used in '96, and it clearly implied a device that  
17 served many clients as opposed to a single one.

18 THE COURT: Well, now, you could actually have  
19 clients and server process on the same computer, couldn't  
20 you?

21 DR. WICKER: Yes, sir, you could.

22 THE COURT: All right. Thank you.

23 Well, other than -- and let me go back to  
24 Mr. Stephens. Other than there's going to be two  
25 computers -- and that shows in, I guess, their preferred

1 embodiment in Figure 1; and there they specifically say  
2 they're using the Internet. Is there anything else that  
3 this has to be a network other than -- I mean, why can't  
4 it just be two computers, the larger one the server,  
5 whatever -- and it may be hooked into the whole world to  
6 bring in stuff, to bring in neat programs and so forth.  
7 But what it's downloading it to or giving information to  
8 what they call their "player" or, as you like to call it,  
9 their "laptop," why does that have to be some kind of a  
10 network connection?

11 MR. STEPHENS: Well, your Honor, it goes  
12 directly to what it means to download.

13 And if we could have Slide 20.

14 It's not enough to just transfer or move a  
15 file from one computer to another. That was explicitly  
16 given up in the prosecution of these claims. The notion  
17 of downloading from a server means that you're sending a  
18 request to another computer, a remote computer over a  
19 network, and getting back information from it. That's  
20 what --

21 THE COURT: You're going to try to tell me  
22 that push technology was unknown in 1996?

23 MR. STEPHENS: Your Honor, push technology in  
24 1996 used a request and a response just like we're  
25 talking about here. It was called "push"; but, in fact,

1 what happened was you had a timer that sent repeated  
2 requests. I've litigated cases on this; and I should  
3 point out, your Honor, I have a master's in electrical  
4 engineering which I got at the time.

5 THE COURT: That's exactly why I've got  
6 Dr. Shipman and Ms. Mullendore here is --

7 MR. STEPHENS: Understood.

8 THE COURT: I don't have a master's in  
9 engineering, but that's why I rely -- and that's -- I'm  
10 hoping that you and your experts will help educate me.

11 MR. STEPHENS: Understood, your Honor.

12 THE COURT: But I guess I'm concerned with  
13 this idea -- and I understand that when we get into  
14 infringement, yes, it would be very nice to avoid -- or  
15 to have them pinned down to "network." I'm having a  
16 problem, though, seeing why I should pull that out of the  
17 specifications or the -- or put that kind of limitation  
18 based on the claim language and specifications.

19 MR. STEPHENS: I understand, your Honor. And,  
20 you know, honestly, as long as it's clear that we have a  
21 client/server relationship between the player and the  
22 server that it's downloading from, I think that is more  
23 what we are after here. But I do think that part of what  
24 was meant in 1996 by "downloading from a server" was  
25 reaching out and requesting something over the network

1 and getting back.

2 Now, there were things called "push," like I  
3 said; but by and large those were just a request on a  
4 timer. And in any event, it's not disclosed here.  
5 What's disclosed here is exactly what I -- exactly the  
6 same thing, a timer that says, I'm going to dial up the  
7 IFP and use FTP to download a file to save time.

8 So, the impetus behind our proposed  
9 construction on "network" is the phrase as a whole, not  
10 separately just "communications link" but the fact that  
11 you have a communications link for downloading from a  
12 server. In 1996 what that implied was connecting to a  
13 network using sending a request to a server and receiving  
14 back a file in response to that request.

15 And doing that on a point-to-point link, for  
16 example, you know, from a local hard drive to a computer  
17 sitting next to it, you're transferring information from  
18 one device to another or, let's say, even two computers  
19 sitting next to each other via -- well, a lot of disk  
20 drives have microprocessors and the like. That's not  
21 downloading. Right? And yet if you --

22 THE COURT: Well, no -- and this, I guess,  
23 gets into it. You want -- I mean, you want the request.  
24 You want it to be -- you want "network." You want  
25 something else. But if you take a look at just what

1 "download" was back in 1996 with the IEEE dictionary,  
2 (reading) to transfer some collection of data from the  
3 memory of one computer to the memory of a second computer  
4 that is relatively smaller than the first or to transfer  
5 some collection of data from computer memory to another  
6 storage collection.

7 Those were known -- I'm not saying they're the  
8 only definition, but those were known definitions of  
9 "download" --

10 MR. STEPHENS: But, your Honor, that's picking  
11 "download" by itself; and that's why I keep saying --

12 THE COURT: Well --

13 MR. STEPHENS: -- what we're talking about is  
14 the whole phrase, a communications link for downloading  
15 from a server. So, the downloading that's described by  
16 the IEEE dictionary is not talking about downloading from  
17 a server. Just moving things from one computer to  
18 another does not necessarily imply that one of them is a  
19 server.

20 THE COURT: No, it doesn't necessarily apply;  
21 but if one of them is a server, then you've got -- or --  
22 I understand that what you're saying could be a  
23 possibility. But I also believe the courts say that I'm  
24 not supposed to try to build in limitations or read in  
25 limitations from, say, Figure 1, which clearly is an



1 Internet kind of a setup, more like, I think, what you're  
2 looking at. But it's not the only possibility.

3 MR. STEPHENS: And we're not saying it's  
4 limited to the Internet. But we are saying that this  
5 phrase, to one of ordinary skill in the art in 1996,  
6 applies to client/server architecture and that that  
7 client/server architecture implies the construction that  
8 we've proposed, a network, a request, and receiving from  
9 a server. It doesn't have to be --

10 THE COURT: Well, is there anything in the  
11 specification or the intrinsic evidence other than what  
12 you think the ordinary meaning of "download" is --  
13 anything else that gets into this request?

14 MR. STEPHENS: Oh, sure.

15 THE COURT: I mean, you --

16 MR. STEPHENS: We've cited a bunch of them in  
17 our brief, your Honor. There is a number of places where  
18 the client is described as requesting. I mean, that's  
19 inherent in the FTP --

20 THE COURT: Well, it can request. But when  
21 you get to the claims, does it have to request?

22 MR. STEPHENS: Absolutely, your Honor. That's  
23 what it means to download from a server. You have to  
24 send a request to the server for service. The server  
25 responds by giving you that service.

1 And in the case of a request to download, that  
2 service is sending the file, transmitting it from the  
3 server to the client in response to the request.

4 THE COURT: Do you think it has to be -- you  
5 had earlier indicated you were familiar with the time  
6 system of push technology. I mean, do you think it has  
7 to be more than that, just a "it's time to do it" signal?

8 MR. STEPHENS: I'm not following you.

9 THE COURT: Well, you indicated before that  
10 you were familiar with push technology but, at the very  
11 least, it had to have some kind of a timing mechanism.  
12 When you're talking about this, do you mean that in this  
13 particular patent it has to have anything more than the  
14 client, the player, doing anything more than sending out  
15 its "I'm ready," its -- you know, on a regular timed  
16 basis, anything more than that?

17 MR. STEPHENS: I think as long as it was  
18 sending a request to the server to download the file, I  
19 think that would be okay whether it's -- I'm not trying  
20 to read a timer into the claim or anything like that,  
21 your Honor. All I'm saying is that --

22 THE COURT: Well, can it be a manual? In  
23 other words, the operator says, "Okay. I want this"?

24 MR. STEPHENS: Sure. I don't see a  
25 restriction in this limitation on what initiates the

1 download.

2 THE COURT: Okay.

3 MR. STEPHENS: All we're saying is that the  
4 thrust of this limitation as a whole, the link for  
5 downloading from a server, implies a client/server  
6 architecture and that implies a server that responds to  
7 requests from multiple clients and that suggests --

8 THE COURT: Well, does it have to be multiple?  
9 I mean, you can't -- I mean, where in this system does it  
10 have to be multiple? Why can't you just have you've got  
11 a -- you've got your desktop, and you've got your laptop?

12 MR. STEPHENS: It's a fair point, your Honor.  
13 I guess what I'm getting at is that "server" means it's a  
14 device that's capable of responding to requests from  
15 multiple clients, not necessarily that you have more than  
16 one client. So, I'm not suggesting that this limitation  
17 couldn't be met unless you have a bunch of clients on  
18 that particular --

19 THE COURT: Okay. So, even under their -- or  
20 the way you want their system with the desktop/laptop,  
21 the desktop -- it may be you're the only one smart enough  
22 in town to have a laptop so you use it; or you and all  
23 your brothers and sisters or everybody in the office  
24 could have laptops and use that same desktop.

25 MR. STEPHENS: And those both would fit.

1 THE COURT: Okay.

2 MR. STEPHENS: As long as you're sending a  
3 request over a network to the server. So, you're right.  
4 I'm not suggesting that it depends on the number of  
5 actual users. It's really a matter of what the server is  
6 capable of doing.

7 THE COURT: All right.

8 MR. STEPHENS: And again, your Honor, I do  
9 want to emphasize that this is claim scope that was given  
10 up in prosecution. Right? This notion that just  
11 transferring from one computer to another or from an  
12 external source to the player --

13 THE COURT: Well, you're basing that on the  
14 change from "receiving" to "downloading"?

15 MR. STEPHENS: Yes. And in -- from an  
16 external source to one or more server computers. The  
17 reason these three pieces of this limitation need to be  
18 construed together is they are all part of a single  
19 amendment, right? "A communications port for  
20 establishing a data communications link for  
21 downloading...from one or more server computers," that  
22 was all added in a single amendment; and that amendment  
23 was intended to distinguish simply transferring from one  
24 device to another and require the client/server network  
25 architecture that we're suggesting.

1 THE COURT: Well, you're reading an awful lot  
2 into all -- I mean, I understand the -- because keep in  
3 mind when you're talking about disclaimers, it has to be  
4 very, very clear. And just the fact that you change from  
5 "receive" -- which could conceivably be something like,  
6 well, I had my tape recorder going and a little  
7 microphone and I tape-recorded the audio and then  
8 transferred that -- I mean, you're talking about  
9 downloading because it's pretty clearly from one computer  
10 to another; and it's digital.

11 MR. STEPHENS: Well, the digital was already  
12 there, your Honor. The digital compressed audio program  
13 files was there. So, this was always about moving  
14 digital audio files; and they gave up the very broad  
15 notion that just receiving was enough and, instead, said,  
16 "What we're after here, PT0, is this client/server  
17 architecture." And they did that by --

18 THE COURT: And the citation to their quote,  
19 "We're after client/server architecture," is where; or is  
20 that your rephrasing of what they actually said?

21 MR. STEPHENS: Well, it's a bit of a  
22 rephrasing, I grant you that.

23 THE COURT: Okay.

24 MR. STEPHENS: But the server was explicitly  
25 added, as was "download." And that means, to one of

1 ordinary skill in the art, a client/server architecture  
2 because you have to -- in order to download from a server  
3 you need to send a request and get the file back. And,  
4 of course, that's the only thing that's disclosed, right,  
5 is using file transfer protocol over a network to get  
6 files from a remote computer.

7 Now, there is more file history here that I  
8 think we should look at. They also explicitly gave up  
9 "transmitting," which, of course, is something they are  
10 now asking to have back. So, claim 54 was amended as a  
11 part of this same response to an Office Action; and in  
12 this claim "transmitting" is a synonym for "downloading."

13 THE COURT: Well, now, keep in mind also when  
14 we go into all this -- let me just be sure --

15 MR. STEPHENS: One other --

16 THE COURT: Well, and just to be very sure  
17 because we don't want to get ourselves confused, all of  
18 this discussion is just dealing with the '178 patent,  
19 right?

20 MR. STEPHENS: The '178 is the patent that has  
21 downloading in it, your Honor.

22 THE COURT: And it also has this prosecution  
23 history applicable to it.

24 MR. STEPHENS: I'm sorry?

25 THE COURT: These disclaimers that you're

1 talking about were in connection with the '178  
2 prosecution history, not with the earlier '176 [sic].

3 MR. STEPHENS: Yeah. The '076 doesn't have  
4 that --

5 THE COURT: Have that word. Right. Okay. Go  
6 ahead.

7 MR. STEPHENS: This is strictly about the  
8 '178.

9 Another piece of file history that we should  
10 look at is the remarks that accompany the amendment. So,  
11 they're saying that downloading is from a remote server  
12 via the player's communications port. Again, this is an  
13 argument made to the Patent Office to get the claims  
14 allowed; and it was successful. The reasons for  
15 allowance talk about the downloading from a server is one  
16 of the reasons the claims were allowed.

17 So, this is an express disclaimer of  
18 transferring a file from another computer that's sitting  
19 right next to me to the player. It requires downloading  
20 from a remote server and, hence, our proposed  
21 construction.

22 THE COURT: Well, I guess I've not seen  
23 anything that says "remote" has to be X feet or in the  
24 next room. It's separate.

25 MR. STEPHENS: You know, I grant you that

1 "remote" is maybe not the most precise term. They chose  
2 it, not us. I don't think "remote" means it's sitting  
3 right next to it; but I'll grant you that how far you  
4 have to go to become remote, it may be a matter of  
5 some -- in the description of the patent, it's pretty  
6 clear we're talking about a server located on some other  
7 premises connected via an IFP.

8 THE COURT: All right. Well, Personal  
9 Audio -- I mean, let me go ahead; and I'll give you the  
10 last word on this. Any comment you want to make?

11 MR. HOLDREITH: Yes, sir. The court, I think,  
12 has very clearly studied these related issues.

13 THE COURT: Doesn't mean I understand them  
14 yet.

15 MR. HOLDREITH: But you have articulated the  
16 questions that we would pose to Mr. Stephens; so, I'll  
17 try to be very brief in responding.

18 First of all, I'll start with this file  
19 history. And there is no disclaimer anywhere in the file  
20 history. Prior art under consideration was prior art  
21 that did not have any kind of sequencing file at all, and  
22 the distinction that the applicant was making was saying  
23 that's a phone message machine. It's a digital tape  
24 recorder. It doesn't have any sequencing file at all.  
25 So, the distinction wasn't downloading or not



1 downloading; it was sequencing file or no sequencing  
2 file.

3           You can read those file histories all day  
4 long, and there is no disclaimer that says the  
5 downloading must be over a network connection or the  
6 downloading must be over some geographic distance or the  
7 downloading must --

8           THE COURT: Well, what about the idea, though,  
9 when you start getting into servers and clients that  
10 typically -- not always but pretty typically that you are  
11 talking about some kind of a network?

12           MR. HOLDREITH: Good question, sir. And the  
13 court has already correctly pointed out it is a  
14 server/client relationship when you have a single  
15 dedicated local device serving a smaller device, and that  
16 comes straight out of the specification. We don't even  
17 have to go to extrinsic evidence on --

18           THE COURT: All right. Which part of the  
19 specification, just to make it easier?

20           MR. HOLDREITH: Sure. It's Column 7, lines 57  
21 to 62. And I'm looking at the '178 patent.

22           If I can have the presentation screen, I've  
23 got it called out here.

24           There is an example here, Column 7 at line 57;  
25 and it's the one where you have the player in the car.

1 And it says (reading) to facilitate use of the system in  
2 an automobile, a player computer may be linked to the  
3 Internet via a local communications server computer via a  
4 radio or infrared link.

5           So, we can't construe the claim to exclude a  
6 local communications server talking to a player, in this  
7 instance over a radio or infrared link. And I really  
8 don't know what Apple is trying to do by substituting  
9 "network" and by talking about the client/server  
10 relationship. I mean, they're, I think, trying to create  
11 a noninfringement argument; and they want to suggest that  
12 the way their device works is not a client/server.  
13 That's the genesis of the argument, but they haven't been  
14 very clear about. The example given in the specification  
15 here, I think, absolutely precludes any construction that  
16 would read out a local communications server with a  
17 direct link to the dependent device.

18           I'd also like to point out the dictionary  
19 definitions. The court gave the IEEE one. That's  
20 absolutely right. The parties' dictionary definitions  
21 also do not require a request, do not require geographic  
22 distance. It's just the opposite. And, in fact, even  
23 Apple's definition includes moving blocks of data from  
24 one device to another.

25           THE COURT: And this definition again, just to

1 make it easier when I'm going back, is which?

2 MR. HOLDREITH: I can show you that on a slide  
3 here, your Honor.

4 THE COURT: I've read your materials. I don't  
5 have them memorized. So, anytime you can give me a quick  
6 pinpoint citation, it will make it easier when I go back  
7 through the transcript.

8 MR. HOLDREITH: Yes, sir. It's Apple's  
9 Exhibit E, and it's the *Microsoft Press Computer*  
10 *Dictionary*. I have it on the screen here.

11 Apple in the brief discussed the first  
12 definition of these two, which is where they get  
13 "request" and "network." They didn't discuss the second  
14 definition, which is (reading) to send a block of data --  
15 it uses the example of a PostScript file -- to a  
16 dependent device. That's a definition Apple has  
17 sponsored of "downloading," and it doesn't require a  
18 request. It doesn't require a network connection.

19 THE COURT: Okay.

20 MR. HOLDREITH: The last point I guess I would  
21 make is we're not trying to avoid "download" or "server."  
22 Those terms are in the claim. They will be read to the  
23 jury. So, the suggestion that this is some nefarious  
24 effort to get away from claim language is just wrong.

25 THE COURT: No, but you're trying to keep

1 the -- I mean, they're trying to avoid infringement;  
2 you're trying to prove infringement. I mean, that's -- I  
3 don't regard any of those as evil. That's kind of what  
4 you're trying to do here --

5 MR. HOLDREITH: Yes.

6 THE COURT: -- both sides.

7 All right. Then we get to the next one,  
8 "selected audio program segments" and then -- and that's  
9 in the '076, claim 1 -- and "a collection." That's in  
10 the '178, claims 1, 14 through 19, and 25 through 29 and  
11 here, oddly enough, it seems that Personal Audio wants to  
12 be limited to the preferred embodiment. Apple seems to  
13 want the more broad term.

14 So, let me ask Personal Audio. Your  
15 definition seems to be just, you know, "the audio program  
16 segments/files are chosen by or for an individual  
17 listener." But that's just one embodiment. Why is it --  
18 why do we limit it to just that?

19 MR. HOLDREITH: Yes, your Honor. We  
20 definitely do not want to suggest that the claim should  
21 be limited to a preferred embodiment, and that's not a  
22 canon of claim construction we're relying on here.

23 Our basis for understanding the claim that way  
24 comes from -- it is the description certainly of, I  
25 believe, all embodiments. I'm not sure I saw any

1 embodiment of the player -- maybe Mr. Stephens can point  
2 one out to me if I'm mistaken, but there is not an  
3 embodiment where the collection of programs on the player  
4 is anything other than specific to the individual who is  
5 operating that player and personal --

6 THE COURT: Well, I thought that the host  
7 could sometimes just send a -- it doesn't think but I  
8 guess what it decides, what it so-called "thinks" that  
9 the player wants.

10 MR. HOLDREITH: That's true.

11 THE COURT: And it may not be any choice at  
12 all. I mean, it's just here, you get this ten country  
13 western songs or you get this 25 big band swing songs;  
14 and then whoever is operating -- the user of the player  
15 might rearrange them and delete some, skip some,  
16 whatever. So, there isn't a choice in the first instant  
17 necessarily.

18 MR. HOLDREITH: That is an embodiment, your  
19 Honor. The way I understand that embodiment, at least  
20 from reading the specification, is the server does form  
21 its collection that it's pushing with some information  
22 about that user, demographic information, something  
23 that's unique to that individual. And the specification  
24 gets lots of examples of what could be used as a basis  
25 for assembling the collection. It could be specific

1 interests expressed by the user. It could be  
2 demographic. It could be specific program selections  
3 made in the past. It could be other information sent to  
4 the server about usage of the device. But in all  
5 instances, it seems to me, the server has some  
6 information specific to the user that it uses in making  
7 the collection.

8           What we're really doing here is just  
9 distinguishing broadcasting again. The direct canon of  
10 construction we are relying on relies on a statement in  
11 the file history. It's in the October 28, 2008,  
12 amendment which happens to be Exhibit D to our briefing  
13 at pages 16 and 17. And that's where the attorney  
14 explained that the sequencing file automates what you  
15 call a "personalized playback session" by reproducing --  
16 and he used the words "the collection" -- by reproducing  
17 the collection of identified program files.

18           So, the basis here really is, as far as I can  
19 tell, all embodiments take into account the individual  
20 user in forming the collection; and the file history  
21 characterizes the collection as a personalized playback  
22 session.

23           THE COURT: All right. Well, let me ask  
24 Apple. You think it's plain and ordinary meaning; so,  
25 what is the plain and ordinary meaning?

1 MR. ELACQUA: Your Honor, I think what  
2 we'll -- I think we've talked about this before which --  
3 "individual listener" in none of these appear anywhere --  
4 none of these terms appear anywhere in the specification  
5 or in the claims particularly.

6 And, so, "selected audio program segments"  
7 would be just that, whether they're program segments or  
8 audio program segments that are selected. And "a  
9 collection" would have the plain and ordinary meaning of  
10 a group or -- some sort of grouping. But they definitely  
11 are not limited to -- or I should say "a collection"  
12 is -- if you read Personal Audio's construction, the  
13 files are chosen by or for an individual listener or  
14 subscriber.

15 THE COURT: All right. What about "may be"  
16 instead of "are"? They could be. I mean, the way I read  
17 it is sometimes the host is going to send a group. And  
18 in other occasions the way they describe this, whoever is  
19 operating -- the user of the player, the listener, the  
20 user of the player might make some choices. So --

21 Well, Laura, go ahead and put up the proposal  
22 we were working on.

23 And maybe this solves your problem,  
24 Mr. Elacqua, in terms of that it's not always. And, so,  
25 we now have Court's Exhibit Number 10, (reading)

1 "selected audio program segments" means audio program  
2 segments that may be chosen by, or personalized for, a  
3 user.

4 And then (reading) "a collection of audio  
5 program files" means a group of audio program files that  
6 may be chosen by, or personalized for, a user.

7 Does that get around the concern that it's  
8 completely listener- or user-driven?

9 MR. ELACQUA: Your Honor, I don't think it  
10 does. I think if you go to claim 14 of the '178 patent,  
11 for example --

12 THE COURT: All right. Let me get there.

13 MR. ELACQUA: Sure.

14 THE COURT: All right.

15 MR. ELACQUA: And right in the preamble, it  
16 says (reading) an audio program player for automatically  
17 playing a collection of audio program files selected by a  
18 listener; and I think this construction would eliminate  
19 the "selected by a listener."

20 THE COURT: Well, except in that particular  
21 case, aren't they -- I mean, that limitation of "selected  
22 by a listener" is different than maybe in other areas. I  
23 guess -- well, let's see.

24 MR. ELACQUA: Yeah. I guess if you --

25 THE COURT: "May be chosen by, or



1 personalized" --

2 MR. ELACQUA: "May be chosen by, or  
3 personalized for, a user" I think would eliminate the  
4 fact that audio program files would be selected by a  
5 listener.

6 THE COURT: All right. So, you just think it  
7 ought to be basically a group of audio programs and then  
8 the claim itself say it may be selected by a listener or  
9 is selected by a listener?

10 MR. ELACQUA: Correct. I think the claim  
11 would dictate.

12 THE COURT: All right. What about the first  
13 part, the "selected audio program segments," which I  
14 think goes back to claim 1?

15 MR. ELACQUA: And I think you're -- you're on  
16 claim 1 of the '076?

17 THE COURT: I think that's where that term  
18 appears, yes.

19 MR. ELACQUA: I would say that it stays the  
20 same. "Selected audio program segments" stays as  
21 "selected audio program segments." If you want to say --  
22 if I'm hearing you right, I think you said "group of  
23 audio program segments."

24 THE COURT: Well, except that in claim 1 we  
25 don't have that language that you pointed out to me in

1 claim 14 of the '178. I mean, you just pointed out  
2 claim 14 of the '178 patent does have that "selected by a  
3 listener" language; and, so, what I propose might be  
4 contradictory. That same "selected by a listener"  
5 language doesn't seem to be in claim 1; so, let's focus  
6 on my first definition up there. Doesn't the  
7 specification indicate that they may be chosen by, or  
8 personal used for, a user; whereas, in claim 14 maybe  
9 it's they are selected by?

10 MR. ELACQUA: Can I confer with my colleague?

11 THE COURT: Sure.

12 MR. ELACQUA: Thanks.

13 Your Honor, I think the problem with the first  
14 definition is that it suggests that the device or the  
15 player must be capable of -- because of the "may"  
16 language, that the device must be capable of being able  
17 to choose by, or personalize for, a user.

18 So, I think that would suggest to the jury  
19 that if a device is not capable of doing this, then it  
20 wouldn't meet the limitation.

21 THE COURT: Well, I mean, that sounds more  
22 like an argument that they would make because it -- I'm  
23 limiting what they've got.

24 MR. ELACQUA: I guess I'm back to -- by  
25 putting "may" in here, I understand that it may or may

1 not; but by saying "may," I do think it could confuse the  
2 jury into trying to figure out exactly whether the device  
3 has to or does not have to. And, so, that's why I would  
4 say the plain and ordinary meaning of "selected audio  
5 program segments" is enough.

6 THE COURT: Well, the problem we get into,  
7 especially under the  $O_2$  case, is when I ask what the  
8 plain and ordinary meaning is and there gets to be a  
9 debate, then I need to deal with it early rather than  
10 later. So, that's why I'm dealing with it.

11 MR. ELACQUA: I understand.

12 THE COURT: All right. Let me hear from  
13 Personal Audio. On the second one, on dealing with the  
14 '178 patent, I think Mr. Elacqua makes a good point. It  
15 does say in that particular case -- and this may tie in  
16 with what you were arguing anyway that -- the "collection  
17 of audio program files selected by a listener." So, in  
18 that case it's selected by the listener. So, that is  
19 almost self-explanatory.

20 What about on the '076 patent, claim 1 where  
21 it's not so clear?

22 MR. HOLDREITH: Exactly, your Honor. It is a  
23 limitation of the '178, claim 14. I agree with that, and  
24 that's a more specific instance than a general case.

25 In '076, claim 1, we are concerned about

1 making clear to the jury that this player is not a  
2 broadcasting device. It really boils down to that same  
3 issue that we discussed with respect to individual or  
4 personal player.

5 That is a dispute, I think, that we have with  
6 Apple about claim scope. And the two places where we've  
7 tried to make sure that is clear based on the file  
8 history, based on the specification, based on the  
9 language is the "player" term and the "selected audio  
10 program segments" term.

11 THE COURT: Okay. Well, let's start off --  
12 I've got your definition here. You say "are chosen by or  
13 for" and I start off by changing that to "may be." Now,  
14 I've done that because it appears to me in the  
15 specification that it's -- at least in some embodiments,  
16 it starts off the host or the server gives a bunch of  
17 program statements. Those aren't chosen; they just come.  
18 Now, later on they can manipulate them; so, that's why I  
19 say "may be." Do you have any disagreement with that?

20 MR. HOLDREITH: Your Honor, we would accept  
21 that construction.

22 THE COURT: Okay that part.

23 And what about the -- so, you would accept  
24 also, then, the personal used for a user -- "chosen by,  
25 or personalized for, a user"?

1 MR. HOLDREITH: Yes.

2 THE COURT: Oh, okay. So, you have no  
3 problem, then, with the first definition there in Court's  
4 Exhibit 10, the "selected audio program segments"?

5 MR. HOLDREITH: That's correct, your Honor.

6 THE COURT: Okay. And just to be very sure,  
7 looking at Apple, I understood that you weren't satisfied  
8 with that first definition in Court's Exhibit 10  
9 because...

10 MR. ELACQUA: Your Honor, I want to point out  
11 one point here. The statement "or personalized for a  
12 user," I've heard Personal Audio's argument here; but  
13 inserting those words into this limitation, I think, is  
14 reading words into this limitation that don't belong  
15 there and that don't appear in the claims. So, I don't  
16 think that's appropriate. I do think that --

17 THE COURT: Well, they do come from the  
18 specifications. I mean, the specification makes pretty  
19 clear whoever is using that player does the choosing or  
20 personalizing it. I mean, I don't know how else you're  
21 going to describe the user of the player or the listener  
22 to -- I mean, they were trying to get it to be "a  
23 listener" or the "single listener"; and we went over the  
24 fact that, well, if you're in a car, you've got everybody  
25 in the car listening to the thing so --

1 MR. ELACQUA: I understand. So, one  
2 alternative I think we could agree to would be "audio  
3 program segments that may be chosen by or for a user" --  
4 "by or for" -- I'm sorry -- "one or more users,"  
5 incorporating that it's not just limited to a single  
6 individual listener or user. As your Honor pointed out,  
7 there is nothing that limits this to a single person.

8 THE COURT: Okay. And that gets back to what  
9 does "a" mean in patent speech, and --

10 MR. ELACQUA: Understood.

11 THE COURT: -- then you're trying to explain  
12 it to the jury.

13 Okay. Other than that, then -- you're  
14 concerned, then, about "a" and how a jury might look at  
15 the word "a"?

16 MR. ELACQUA: I think we're concerned with  
17 "a," and I also think "personalized" is not necessary for  
18 "selected audio program segments." I don't think it's  
19 necessary to read in the word "personalized."

20 THE COURT: Okay. All right.

21 Then we -- let's go ahead and take a recess.  
22 I'll ask you to be back at quarter of 3:00.

23 (Recess, 2:32 p.m. to 2:46 p.m.)

24 (Open court, all parties present.)

25 THE COURT: Okay. Now we get to the "means

1 for storing a plurality of program segments, each of said  
2 program segments having a beginning and an end." And I  
3 think we see that in the '076 patent, claim 1.

4           Personal Audio says this should be "storing a  
5 plurality of program segments," for the function anyway;  
6 and Apple says that the function should be exactly what  
7 it says. There doesn't seem to be much difference  
8 between the two. I guess one way of looking at it is the  
9 function is the "storing of a plurality of program  
10 segments" and maybe the "beginning and an end" part is a  
11 different limitation, or maybe counsel can help me out.  
12 Are you really much -- is there really much fight here  
13 over what the function is? Go ahead.

14           MR. MORTON: I'll raise my hand if I can, your  
15 Honor. I don't think there is much of a fight about the  
16 function. I think it is exactly what your Honor  
17 suggested, that function is for "storing a plurality of  
18 program segments"; and then the rest of this is actually  
19 additional refinement of what is a program segment. But  
20 it's not a big dispute.

21           THE COURT: Mr. Stephens?

22           MR. STEPHENS: I agree, your Honor. I don't  
23 think it is a dispute worth spending a lot of time on.

24           THE COURT: Okay.

25           MR. STEPHENS: But if it's part of "program

1 segment" that you've got to store it, it seems to me that  
2 it's part of the function.

3 THE COURT: All right. So, we know that it  
4 can't store infinite program segments; they have to be  
5 limited. They've got a beginning and an end?

6 MR. STEPHENS: It doesn't have to be infinite  
7 to not have a beginning and an end; it could be circular.  
8 But, again, I don't think this is a dispute really we  
9 need to spend much time on.

10 THE COURT: All right. So, what we're really  
11 looking at is the corresponding structure. Personal  
12 Audio goes with the "persistent mass storage device."  
13 And this goes back to, I think, your earlier argument and  
14 slide about claim 14. And I guess what I'm wondering  
15 about is why would I take what's in claim 14, which might  
16 be a subset or a more narrow claim, and apply that to the  
17 means structure in claim 1?

18 MR. MORTON: Your Honor, I don't think for  
19 this limitation that you do need to look to claim 14.  
20 That really related to the other issue we already  
21 discussed. For this one it's simply "means for storing a  
22 plurality of program segments," et cetera; and I think  
23 the structure that's provided in the specification is a  
24 persistent mass storage device. It's introduced in --

25 THE COURT: Column 4?



1 MR. MORTON: -- Column 4.

2 THE COURT: Well, I guess that's one  
3 possibility. The means could be a mass storage device of  
4 some kind.

5 Now, Apple wants it to be "a magnetic disk or  
6 optical disk cartridge configured with a *Windows 95* file  
7 system and *Windows 95* TrueSpeech or Musical Instrument  
8 Device Interface file formats." And, so, help me out.  
9 Where in the specification requires that the means be  
10 configured with a particular file format?

11 MR. STEPHENS: Your Honor, if we could put up  
12 our Slide 48, it's a reproduction of '178, Column 6,  
13 lines 3 and 8.

14 So, it says "The compressed audio segments" --  
15 there is a typo there clearly -- "program segments  
16 comprise audio voice music files"; and then the only  
17 actual way to store music in files or voice in files  
18 that's disclosed is the TrueSpeech and MIDI file formats.  
19 So, that's where the corresponding structure in the spec  
20 that we're talking about comes from.

21 Now, I'll grant you it doesn't say "*Windows 95*  
22 file system" here; but you have to have a file system.  
23 And the only file system described in the patent is the  
24 one that comes with *Windows 95*, which is also called the  
25 FAT, F-A-T, file system.

1           So, it's saying that audio program segments  
2 have to be stored in files. That requires a file system.  
3 And then it says the way that they are stored in files is  
4 using the TrueSpeech compression and MIDI file.

5           THE COURT: But, I mean, you're one of skill  
6 in the art and you're trying to put together this device  
7 and they're using some components. I mean, they're not  
8 claiming to invent the basic hard disk or hard drive.  
9 They're not claiming to invent the basic computer.  
10 They're claiming to have invented putting together some  
11 components and using them in a certain way.

12           So, exactly how the -- I mean, you get a  
13 computer, a hard disk. It will hold file segments of one  
14 kind and file segments of another kind and all kinds of  
15 different files using different kinds of data -- or not  
16 data but different systems. And, so, what -- given the  
17 kind of patent this is, where is the authority for that,  
18 well, I've got to have them say it's exactly one kind of  
19 system or another? I mean, they're just saying this is  
20 an off-the -- I mean, in effect they could be saying this  
21 is an off-the-shelf. You get a high-speed RAM, for  
22 example, or mass storage disk -- and they give several  
23 examples -- and put the files on it.

24           MR. STEPHENS: Again, your Honor, this is the  
25 structure that's disclosed. They chose it.

1 THE COURT: Well, but the structure is not --  
2 I mean, it says "such as TrueSpeech compression."  
3 They're not -- it's not so much that that's the key. The  
4 key is here's how to put these -- basically, for want of  
5 another word, we're showing, we're disclosing we've  
6 invented how to use several components that admittedly we  
7 didn't invent, admittedly other people make. We don't  
8 even make them. But we're showing you how to put this  
9 together to come up with, in effect, a new device or a  
10 new combination. And I think the patent law allows new  
11 combinations. You can obviously try to show they're  
12 obvious. But exactly how the computer -- exactly what  
13 system, whether it uses *Windows 95* or *Windows XP* or  
14 whatever, I'm not seeing how that's something that I've  
15 got to put into as a limitation in the  
16 means-plus-function.

17 MR. STEPHENS: Your Honor, we're not arguing  
18 that they are restricted to only those, right? That's  
19 why equivalents are part of the 112 ¶6 analysis. But the  
20 law does require that you identify the structure that  
21 corresponds to the function, and this is the structure  
22 that is used to perform the function of storing audio  
23 program segments. You store them as files; that's what  
24 it says. And then you -- in order to store files on a  
25 disk, you have to have a file system. If you don't have

1 an operating system with a file system, you can't store a  
2 file on a disk.

3 THE COURT: Okay. And, so, let me hear your  
4 response to that, Mr. Holdreith. I mean, the patent  
5 identifies a particular system, in this case, say,  
6 *Windows 95*. You get that plus equivalents, and then the  
7 fight becomes is this an equivalent. Why isn't that  
8 correct?

9 MR. MORTON: Well, your Honor, I mean, in  
10 general on all of these, I think we have a fundamental  
11 dispute with Apple over identifying the minimum necessary  
12 structure for the function versus identifying everything  
13 that might say in the patent about this issue.

14 For this particular one it does introduce, in  
15 Column 4, a persistent mass storage device for storing  
16 audio. It's directly linked to what this function calls  
17 for in the claim; and for a person of skill in the art,  
18 that's all that you need to know. To go beyond that -- I  
19 think the Federal Circuit has repeatedly said it's  
20 incorrect to get into too much detail.

21 I think it's also the case that this is just a  
22 structural component of the player, a storage device; and  
23 they're trying to get into what's really more  
24 software-based issues and file systems and what have you  
25 that's well beyond what a person of skill in the art

1 would associate with simply a function for storing.

2 THE COURT: But I guess their argument is  
3 that, well, if you can't say how to store it, how is it  
4 enabled? How do you build it? I mean, why -- and it  
5 doesn't -- there's some issue to be careful, is it a  
6 written description, is it enablement. But they're going  
7 to bring up one or all of these kinds of arguments. So,  
8 why shouldn't I say, "Well, wait a minute. You've got  
9 this device. Don't you have to have some way of doing  
10 things with it, some kind of system on it, like  
11 *Windows 95* in this case"?

12 MR. MORTON: Right. And I think this just  
13 gets back to a general principle. I mean, patents often  
14 do this where they disclose generically what you need and  
15 they'll then go into greater detail. And the law -- the  
16 Federal Circuit precedent on that does not put in that  
17 greater detail if it's unnecessary.

18 And I think, I mean, if you're looking for a  
19 public policy reason for that, your Honor, it's that that  
20 would discourage putting in the extra detail. A patentee  
21 would think, well, if I want to use a means-plus-function  
22 claim, I have to just put in the barest essentials in my  
23 patent and not put in all this detail that I might get  
24 limited to later.

25 And, of course, that's the exact opposite of

1 what the patent system is supposed to be about. You're  
2 supposed to put in everything that you've thought of as a  
3 quid pro quo for getting your limited monopoly. So, I  
4 think that's why the law is the way it is and doesn't  
5 allow going to details that are at a level that's  
6 unnecessary for performing the claimed function.

7 THE COURT: Okay.

8 MR. STEPHENS: Your Honor, if I may?

9 THE COURT: Yeah, sure.

10 MR. STEPHENS: This notion that you can take  
11 out part of the structure that's disclosed is not present  
12 in the law the way you've just heard from Personal Audio.

13 You look to the structure that's disclosed for  
14 performing the claimed function, and here the claimed  
15 function is storing audio program segments. It's not for  
16 storing data or bits which a mass storage device might be  
17 able to do on some. In other words, to store a program  
18 segment, it's essential that you have some means of  
19 representing those program segments as bits that the mass  
20 storage device can actually store.

21 The specification is clear how you do that.  
22 You store it as a file using these particular file  
23 formats. Now, there may be others disclosed here. I  
24 don't see any but -- these, in fact, are the only two  
25 that I believe are actually disclosed.

1           They're entitled to equivalents of those,  
2 right? There is, I think, going to be a real dispute  
3 about whether things that are actually capable of storing  
4 songs in a modest amount of space are equivalent to  
5 TrueSpeech which can only store voice in a modest amount  
6 of space or equivalent to a MIDI file which is a player  
7 piano-type format and can't store, for example, a  
8 recorded human voice.

9           So, the equivalents issue is fundamentally  
10 important to what they invented; and these structures are  
11 essential to performing the recited function of storing  
12 audio program segments as opposed to some more generic  
13 form of data.

14           THE COURT: Well, in the specification it  
15 talks about Item 107 in Figure 1, which I think you've  
16 got right up there. Yeah, you've got Figure 1 up there.  
17 It's got Item 107; and it specifically says in the  
18 specification this is for storing audio, text, and image  
19 data and that this data storage system consists of both  
20 high-speed RAM storage and persistent mass storage  
21 device. So, why wouldn't I include that as a structure  
22 in the claim construction?

23           MR. STEPHENS: That's a fair point, your  
24 Honor. I think it's reasonable to include that  
25 structure. I'm not saying you should exclude it. All

1 I'm saying is that that by itself isn't enough, that you  
2 also need these other pieces that the specification  
3 identifies for storing audio program segments.

4 THE COURT: Okay. Well, let me -- I'm  
5 probably going to get some objection to this from Apple,  
6 but just I want to hear what they are from both sides.

7 Go ahead and put up Exhibit 11, please, from  
8 the court.

9 And I have Court's Exhibit 11 up there.  
10 (Reading) "Means for storing" is a data storage system  
11 consisting of both high-speed RAM storage and a  
12 persistent mass storage device, such as a magnetic disk  
13 memory. And I cite the reference at Column 4. And then  
14 in the alternative, (reading) a means for storing may be  
15 a replaceable media, such as an optical disk cartridge;  
16 and I have that cited at Column 7.

17 Any other references that Personal Audio -- or  
18 any other means or structures that Personal Audio thinks  
19 ought to be identified?

20 MR. MORTON: I don't think so. Can I have  
21 just one second with my expert, your Honor?

22 THE COURT: You may.

23 MR. MORTON: Thank you, your Honor. I think  
24 that this construction is fine with us.

25 THE COURT: Okay. And then -- and that's, of



1 course, a description of the preferred embodiment; so,  
2 that lists that possibility.

3 And now from Apple's point of view. And you  
4 wanted the, I guess, more complete; but taking a look at  
5 that first citation, Column 4, lines 36 through 38, I'm  
6 not seeing the kind of language you talked about that may  
7 be at other places where they're -- they set out specific  
8 examples. So, why wouldn't that be -- in the traditional  
9 way of noting various structures are identified, why  
10 wouldn't that be sufficient?

11 MR. STEPHENS: Again, your Honor, I don't  
12 think it's enough to just identify this as one way of  
13 doing it. I think you need to identify the structure  
14 that the specification identifies for storing the audio  
15 program segments; and that necessarily, for this type of  
16 a storage device, requires the file system and the file  
17 formats that we've mentioned as identified at '178,  
18 Column 6, lines 3 to 8.

19 So, while I don't disagree that these  
20 structures are appropriate to include in the  
21 construction, I think they are not sufficient and that  
22 you must include the file system and the particular file  
23 formats for storing the recited audio program segments.

24 Again, if it was for storing data, you  
25 wouldn't necessarily have to have the file system because

1 you might store data that's not in a file. Or if you  
2 were going to store data, you might not need to store  
3 audio data that requires some particular representation.  
4 But because the recited function is storing audio program  
5 segments and because the specification explicitly ties  
6 that to files and particularly the TrueSpeech and MIDI  
7 files, we think that structure belongs in the  
8 construction in addition to the structures that  
9 your Honor has identified.

10 THE COURT: Okay, in addition to them.

11 MR. STEPHENS: Yes.

12 THE COURT: All right.

13 MR. STEPHENS: Not in place of them.

14 THE COURT: Okay. And that TrueSpeech  
15 reference was at column what now?

16 MR. STEPHENS: In the '178 patent -- that's  
17 the only cite I have.

18 THE COURT: Okay.

19 MR. STEPHENS: It's Column 6, lines 3 to 8.

20 Your Honor, the parties, maybe unwisely, had  
21 agreed to cite the '178 as a matter of course. You  
22 probably picked the '076.

23 THE COURT: Maybe I missed that in your  
24 briefing; but yes, I went with the first one since it was  
25 written first.

1 MR. STEPHENS: I had the same problem. We  
2 made this agreement after I had already marked up my  
3 '076. You have my sympathy.

4 THE COURT: Well, just so you know, I've been  
5 going along with the '076 all through this; and that's  
6 the one I've been following.

7 All right. Then we get to "output means for  
8 proceeding audible sounds in response to analog audio  
9 signals." And Personal Audio just seemed to -- and I  
10 don't know if it's a typo or what, but your proposal is  
11 "output means for producing." Well, that's not the  
12 function. I mean, the function doesn't start off with  
13 "output means." It's got to -- I guess if you took off  
14 the first two words, then that would be a function, in  
15 which case it would be exactly the same as Apple's,  
16 "producing audible sounds in response to analog audio  
17 signals." Is that what you meant?

18 MR. MORTON: Yes. That's correct, your Honor.  
19 It's a typo.

20 THE COURT: Okay. So, that will be the  
21 function. And then the corresponding structure --  
22 Personal Audio proposes the "speaker," which I think is  
23 identified in Figure 1; and Apple wants "a speaker  
24 connected to a speaker-out port or headphones connected  
25 to a headphone-out port." Audio is speaker or

1 headphones. Is there any real difference between what  
2 Personal Audio is saying? They want "speaker" out of  
3 Column 4 and "headphones" out of Column 5; and you want  
4 Figure 1 and the text and then "speaker," "speaker-out  
5 port," "headphone," "headphone-out port." What is the  
6 difference between the two?

7 MR. STEPHENS: There is no difference, your  
8 Honor. We're okay with "headphone" or "speaker."

9 THE COURT: Okay.

10 MR. STEPHENS: This is no longer a live  
11 dispute.

12 THE COURT: All right. Well, let's see, what  
13 do we have? Well, you agree, then, the output -- the  
14 structure is either going to be a speaker or headphones?

15 MR. STEPHENS: That's right.

16 THE COURT: And Personal Audio agrees also?

17 MR. MORTON: Yes, your Honor.

18 THE COURT: Okay. Then that's what we'll  
19 have.

20 Let's change it to that.

21 Okay. I think that gets us through all of the  
22 structure terms and the ones that we -- or the  
23 means-plus-function terms that have been identified where  
24 there was a fight over it.

25 And then we have a number of others that Apple

1 is claiming are indefinite; and those you have submitted  
2 in your motion for summary judgment, correct?

3 MR. STEPHENS: That's correct, your Honor.

4 THE COURT: Is there any other -- I'll start  
5 off with Personal Audio. Any other terms that you --  
6 have I missed any of your items or missed any of the  
7 disputed terms that you think? I'll ask that first. I  
8 think I've gone over them all.

9 MR. MORTON: If I understand what your Honor  
10 is saying correctly, I think all the remaining disputes,  
11 Apple's opening position is that the claims are  
12 indefinite. And then they have alternate positions, in  
13 case they're wrong about that, where they've proposed  
14 different alternate corresponding structure.

15 THE COURT: And that's a group of  
16 means-plus-function terms, correct?

17 MR. MORTON: Right. And then there is the one  
18 other kind of overarching issue, that they have said that  
19 the '178 patent is all means-plus-function terms where it  
20 says "processor." We disagree with that, saying there is  
21 not a 112 ¶6 claim in the '178 patent.

22 THE COURT: Okay. But am I correct,  
23 Mr. Stephens, those are all in your motion for summary  
24 judgment?

25 MR. STEPHENS: That's correct, your Honor.

1 I'm not sure that we actually articulate the alternative  
2 proposed structure in the motion for summary judgment.  
3 That, we put in the joint claim construction statement.

4 THE COURT: Right. Well, I think the easier  
5 thing for me to do is to take a look at the motion for  
6 summary judgment first. There doesn't seem to be a lot  
7 of point in going through trying to define all of them  
8 and then go back and then decide -- I guess it's six in  
9 one, half a dozen in the other.

10 I'll look at the summary judgment on those  
11 first; and then after I get through that, if we have to  
12 have another short *Markman* based on what's left, we'll do  
13 that. For the most part, as you can tell, what I'm  
14 looking at is what's in the specifications to see what's  
15 there. And if I need oral argument or some explanation  
16 on the summary judgment, we'll deal with it then.

17 Okay. There are some other things coming up  
18 but -- and this is partly for the benefit of clients.  
19 Each court is different, and you've seen your lawyers  
20 present -- or prepare these, you know, fairly large  
21 presentations. They've brought their experts. Quite  
22 bluntly, they've got no idea what questions I'm going to  
23 ask.

24 Some judges just say, "Okay. Go ahead and  
25 make your presentation"; and it's possible I might do

1 that, too. My general practice is to study this and then  
2 ask the questions that are bothering me because that is  
3 where I'm having problems. It's not that your lawyers  
4 are wasting their time. Like I say, they've really got  
5 no idea -- or very little idea what I'm likely to ask.  
6 They have to be prepared on all of it.

7 On the other hand, it's possible that I have  
8 missed some important -- something that one of you thinks  
9 is an important point or an important issue or something.  
10 So, I'll start off with Personal Audio. Going over the  
11 claim construction area that we've dealt with, are there  
12 any particular points you want me to focus on, something  
13 you think I've missed, something in your presentation,  
14 you're sitting there thinking, "Why didn't the judge get  
15 into this?" Go ahead.

16 MR. MORTON: May we confer about that for a  
17 moment?

18 MR. HOLDREITH: Is this addressed to the  
19 lawyers, your Honor?

20 THE COURT: Yes. I've explained why -- I  
21 mean, partly -- I know you do a lot of preparation. And  
22 the way I run this, by asking you questions, I might have  
23 missed something that you've done a lot of preparation on  
24 and thought was really important because I'm focusing in  
25 on the things that caught my eye as I went through all of

1 this.

2           So, if there is some part of your presentation  
3 that you think needs to be made or something you really  
4 want to direct my attention to, even if it's just a  
5 matter of, you know, "Please take a close look at  
6 pages -- or Slides 100 and 102 because we think they  
7 really make the point about thus-and-so," here is your  
8 chance.

9           MR. HOLDREITH: Your Honor, we're content to  
10 rest on the briefs and the arguments that we've made  
11 today.

12           THE COURT: Okay. And the same from Apple.  
13 Is there something -- I'm sure you've done a lot of  
14 preparation. If there is something that you think I've  
15 missed or something you really want me to focus on, what  
16 would it be?

17           MR. STEPHENS: Your Honor, I think you've done  
18 an excellent job; and your questions have been very  
19 interesting and clearly well prepared. What I would  
20 suggest is that we might hand up our slides.

21           THE COURT: Yes. I do want the slides, by the  
22 way; and that's -- I mean, if there is -- in particular,  
23 if there are some slides you think are very important or  
24 might be helpful, give me the numbers so I'm not  
25 searching.



1 MR. STEPHENS: Okay.

2 THE COURT: You know, if there's something  
3 there we think, "Boy, we think your question on X, Y, and  
4 Z is really answered by Slide Pages 25, 26," tell me that  
5 so that it makes it easy for Ms. Mullendore and I to go  
6 back and say, "Oh, let's take a look at 25 and 26."

7 MR. STEPHENS: Otherwise, your Honor, I think  
8 we've had the opportunity to present the major points.

9 THE COURT: Okay. All right. There are a  
10 couple -- all right. Then in that case -- and I  
11 appreciate the presentations you've made. You seem to  
12 have focused in very clearly on the issues, and that  
13 obviously -- in some ways it makes it harder, but in many  
14 ways it makes it much easier for me.

15 We've got a motion on filing supplemental  
16 infringement contentions and a motion to strike  
17 infringement contentions. Tell me how, from Apple's  
18 point of view since you're opposing it -- you're saying  
19 you would be prejudiced. What -- of any of these  
20 proposed amendments, how would that affect your claim  
21 construction position? Specifically, which claim  
22 construction position is going to be changed by a  
23 proposed amendment to infringement contentions?

24 MR. STEPHENS: Okay, your Honor. So, what  
25 happened is the infringement contentions have progressed.

1 We've seen a movement not only in a complete replacement  
2 of the source code that was identified for the iPhone  
3 from none at all to 100 percent iPhone code but also in  
4 particular a changing sands, if you will, on the  
5 construction or the argument about infringement for the  
6 "sequencing file."

7           So, it started out with an allegation that  
8 there was a play list file that was transferred. That  
9 later morphed into a database file being the basis for  
10 the allegation of infringement. And now -- I think you  
11 heard Mr. Holdreith allude to it earlier today. Now the  
12 argument is that, no, it's not the file itself that has  
13 to be used; it's data from that file that might be  
14 present elsewhere in the system. And there's profound  
15 contradiction between that position that they are now  
16 taking and positions they've taken in the Patent Office  
17 in reexamination. So, had we had that allegation  
18 up-front, it may well have affected the way we argued  
19 "sequencing file."

20           THE COURT: Well, I thought, I mean, reading  
21 through this, this "sequencing file" idea was kind of the  
22 germ of the patent. I mean, the thing that they seemed  
23 to say they did differently than people in the past is  
24 they've got this sequencing file that allows somebody  
25 using the player, whether it's a laptop or something

1 else, to skip, go forward, go backward, or whatever. I  
2 mean, that's kind of the whole -- not the complete patent  
3 but kind of the guts, the new thing. At least that's  
4 what they claim, and it appears that that's what the PTO  
5 seemed to be looking at.

6 So, what's the big surprise that they are  
7 focusing on the sequencing file; and how would that  
8 change -- we're looking at prejudice now, unfair  
9 prejudice. How would that change any of the claim  
10 constructions we went through today?

11 MR. STEPHENS: Well, so, very specifically,  
12 your Honor, it looked like they were going to take the  
13 position that you had to use the sequencing file in order  
14 to skip forward, right? That was their proposed  
15 construction. And what we've seen instead is a morphing  
16 by Personal Audio to remove this object that is discussed  
17 at great length in the specification almost entirely from  
18 the claims, right, and end up with something --

19 THE COURT: What object? The sequencing file?

20 MR. STEPHENS: The sequencing file, right.

21 THE COURT: Sequencing file.

22 MR. STEPHENS: So, there is a particular  
23 sequencing file structure that's described in the patent;  
24 and now they're saying you don't even have to use that  
25 when you're playing back. All you've got to do is take

1 some data from it and it can be in a different form  
2 somewhere else in the computer and that's enough.

3 And that's the morphing that we've seen happen  
4 over time that, if it had been done right up-front in the  
5 original 3-1(g) in a timely fashion, I think we might  
6 have taken a different approach to claim construction  
7 here today.

8 THE COURT: All right. And then -- now, I'm  
9 not sure that -- your letter regarding the possibility of  
10 early equitable trial has come in I can't remember how  
11 many days ago. Have you responded to that yet?

12 MR. HOLDREITH: No, sir.

13 THE COURT: And I'm not looking for a long  
14 response, but you may want to get that in fairly quickly.

15 MR. HOLDREITH: Yes, sir. We oppose it, but  
16 we'll put in a very short response to the letter.

17 THE COURT: Anything else that Personal Audio  
18 thinks needs to be covered or would just -- since we're  
19 all here together would be helpful to have covered at  
20 this time?

21 MR. HOLDREITH: Nothing for today, your Honor.

22 THE COURT: All right. What about Apple?  
23 Again, it needs to be covered or would just be helpful to  
24 be covered since we're all here to discuss?

25 MR. STEPHENS: A helpful point since we're all

1 here, something we were intending to raise with the other  
2 side and haven't yet; and I'm hopeful it will be a matter  
3 of agreement. It's just to change slightly the  
4 scheduling of expert reports to space the opening and  
5 response to expert reports apart a little bit. I don't  
6 think it will affect the schedule in a meaningful way  
7 otherwise. But we can confer with counsel and hopefully  
8 put in a --

9 THE COURT: Okay. I generally -- that does  
10 not bother me. Just so you know, I'm concerned about the  
11 timing of dispositive motions. If you want an answer  
12 before you spend all your money on preparing for trial,  
13 you need that in time for me to look at them. There is  
14 no point in a couple, four weeks before trial submitting  
15 some massive complicated motion and, given all my other  
16 cases, expect an answer.

17 And there is also not much point in submitting  
18 these on the idea of you're going to educate the judge.  
19 It's -- and the other thing is I don't want whatever you  
20 do to wind up us moving the trial date. I think I'm  
21 going to -- unless we get a hurricane or something, the  
22 trial date is firm. And if you want motions dealt with,  
23 get them in in time. But your discovery of the  
24 experts -- you're experienced counsel. If you can work  
25 it out, great. You know, talk about it. It's almost

1 sauce for -- you know, they want a little extension, then  
2 I'll -- either side gets some extra time probably. So, I  
3 don't have a problem with that.

4 Anything else, then, from Apple's point of  
5 view?

6 MR. STEPHENS: Not from Apple's point of view.  
7 Thank you.

8 THE COURT: All right. Again, I appreciate  
9 very much the presentations both sides have made; and  
10 I'll take a look at your slides. You're excused. I hope  
11 you have a safe trip home, and the court is adjourned.

12 (Proceedings concluded, 3:20 p.m.)

13 COURT REPORTER'S CERTIFICATION

14 I HEREBY CERTIFY THAT ON THIS DATE,  
15 SEPTEMBER 8, 2010, THE FOREGOING IS A CORRECT TRANSCRIPT  
16 FROM THE RECORD OF PROCEEDINGS.

17   
CHRISTINA L. BICKHAM, CRR, RMR

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